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100 held in Spain

100 held in Spain
murder hunt

More than 100 suspects have been detained in the Basque provinces as Spanish police, the Guardia Civil and troops hunt four men who on Monday machine-gunned and murdered a member of the Council of the Realm, three police officers and a chauffeur in San Sebastian.

The Cabinet, after meeting in emergency session, pledged to continue its programme of political reform without making changes, but increasing pressure for the watering down of its proposals is expected.

Bad blocks have appeared throughout the Basque provinces and troops are patrolling the border with France. Political parties of all shades have condemned the murders, responsibility for which has been claimed by ETA, the Basque separatist movement. *Back Page, Editorial Comment Page 22*

Way paved for Rhodesia talks

Before leaving for London last night Sir Ted Rowlands, Foreign and Commonwealth Minister of State, and Mr. William Schaufele, U.S. Assistant Secretary for African Affairs, said in Pretoria that agreement had been reached on the holding of an early British-South African conference aimed at establishing an interim Government to guide Rhodesia to black majority rule in two years. At the U.N. Mr. Anthony Crossland, Foreign Secretary, called for the lifting of sanctions against Rhodesia once such a Government had been formed. *Page 3*

Syrians act on massacre stories

Syrian troops yesterday completed their occupation of all towns and villages in Lebanon's Upper Beqaa area in an effort to defuse increasing tensions between Christians and the Druzes who belong to an Islamic minority sect. This move follows reports of a Druze massacre by Christian militiamen. From Jerusalem it was reported that the Israeli Cabinet is to meet today to discuss Arab-Israeli tensions in Hebron. *Middle East News, Page 8*

Norway to set 200-mile limit

Norway intends to establish an economic zone extending 200 miles around its shores from the beginning of next year to protect fish stocks and secure the country's coastal economy. Mr. Olov Nordli, Norwegian Prime Minister, said yesterday. *Page 5*

EEC warning

Mr. Raymond Barre, Prime Minister of France, warned yesterday that the European Economic Community risked losing its integrity if it did not agree to the consolidation of the EEC customs union and agricultural policy. *Page 5*

Down to earth

General James McDivitt, former Apollo astronaut, who is now leading mining operations, manager and president of the U.S. Pullman Standard Railway Company, is to inspect British Rail's high-speed passenger train to give a view to placing an order.

Briefly...

Aged 105 yesterday was a former music teacher of Liverpool, Argill, who reads the newspaper without glasses.

Pit explosion near Dhanbad 200 miles north-west of Calcutta killed 35 coal miners.

The submarine in Britain during the past 75 years is the subject of a National Maritime Museum exhibition which opened yesterday.

Chief price changes yesterday

(Prices in pence unless otherwise indicated)

RISES	
Average	86 + 2
Bond Pulp	80 + 4
Cash, Ind. of Am.	830 + 35
Elmer Ind.	160 + 10
Steel Ind.	110 + 3
Photopia Intl.	26 + 4
Reardon Smith "A"	79 + 5
Silvestri	45 + 4
Smith & Paine	112 + 4
Strong & Finlay	55 + 6
Western Ind.	300 + 6
L.N.O. SCOT "OPS"	260 + 10
Oil Exploration	89 + 4
Unocal	420 + 20
Southern Malay	92 + 5
French	105 + 5

FALLS	
Treasury 141pe '84	5951 - 1
BK. of NSW "New"	150 - 1
Electronic Rentals	42 - 6
Pittsford	24 - 6
Granada "A"	272 - 6
Hammerbrook "A"	345 - 6
Hill (C.) of Bristol	50 - 7
ICI	301 - 6
Land Secs.	115 - 7
Lucas Ind.	138 - 5
Lyons (J.)	44 - 4
NEPC	63 - 4
Rediffusion	63 - 4
Sunley (B.)	62 - 4
TOR	86 - 4
Thorn Elect.	162 - 10
Tube Inv.	274 - 8
Shell Transport	272 - 6
Hampton Areas	58 - 5
Metals Exploration	56 - 6
Mount Lyell	54 - 8

Treasury 21pe '81 5581 - 2

EEC row as U.K. rejects devaluation of 'green pound'

BY ROBIN REEVES, Luxembourg, October 5

The British Government's refusal to accept a devaluation of the "green pound"—the artificial rate used for converting common EEC prices into sterling prices to U.K. farmers—provoked a major row in the Common Market Council of Agricultural Ministers here today.

It called into question the whole EEC "green currency" system which has helped to insulate British food prices from the full impact of sterling's decline.

But an apparently unperturbed Mr. John Silkin, the new British Minister of Agriculture, having successfully fended off at least for the time being the European Commission's 4.5 per cent devaluation proposal, which would have led to a 1.5 per cent fall in the U.K. food prices index, then proceeded to announce a special package of selective aid to help U.K. farmers overcome the effects of this summer's drought.

The drought aid measures include an increase of 2p a gallon on the milk guarantee to producers for the winter six months at a cost of £30m, and a 1p a pint increase in the retail milk price from January 1 next year, as well as assistance on fat lambs and on-farm water storage schemes.

The row in the Council of Ministers came when Mr. Pierre Lardinois, the Brussels Commissioner for Agriculture, withdrew the Commission proposal for a "green pound" devaluation of 4.5 per cent for the U.K. and 7.5 per cent for Ireland. The withdrawal followed the continued insistence of Mr. Silkin that he was not prepared to move at this stage, whatever the strain on the Community's budgetary resources.

But a very angry Mr. Mark Clinton, the Irish Farm Minister, simply said: "Not now."

The upshot of intensive bilateral corridor discussions which followed was agreement that the 7.5 per cent Irish "green pound" devaluation would go ahead to take effect from next Monday, and that the next EEC Agricultural Council, later this month, will be extended to allow a joint meeting with Common Market Finance Ministers to review the whole "green currency" system. The issue is, therefore, far from dead.

In the meantime, Mr. Lardinois accused Britain of abusing the arrangement, originally introduced as a temporary measure, to try to maintain a unified market in farm products with common EEC farm prices in the face of currency fluctuations.

"If everybody takes what they want for their producers and consumers, then the whole system will quickly become worn out," he said.

Earlier, Mr. Silkin had stressed his attitude reflected the Government's overriding concern to get inflation under control which was "as necessary for the Community as for ourselves."

He was not saying "Never" to a "green pound" devaluation, simply "Not now."

The latest fall in sterling has widened the gap between U.K. and Continental prices to a point where an import subsidy of some 35 per cent is necessary to allow Continental farmers to compete on equal terms with their U.K. counterparts in the British food market.

"The Government does not believe there is a case for special action to improve returns across the farming industry as a whole," said Mr. Silkin, anticipating criticism that this special aid contrasted somewhat strangely with his blunt refusal to help the industry through a "green pound" devaluation which would also boost farmers' incomes.

But there are some areas where action is necessary in order to meet special problems which have arisen from the drought and to safeguard the basis for future agricultural expansion," he said.

Mr. Silkin admitted that the Brussels Commission was unhappy at the size of the milk aid.

Drought aid details, Page 31

Leyland ultimatum on Mini programme

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

FRESH UNCERTAINTY was cast over British Leyland's new Mini programme last night when the company warned that it would not recommend investment in the new model without a prior commitment from the unions that certain productivity targets will be met.

The statement appears to give the unions just two more days to meet the company's terms. If no agreement has been reached by 4 p.m. tomorrow, the company will refuse to put up the project to the National Enterprise Board which is due to consider the proposals on Friday.

This sudden new crisis has blown up because the management at Longbridge have failed to agree on the productivity commitments which BL—under the direction of the NEB—now insists on as a matter of course on all new investment projects.

First other plants which will be affected by the Mini development are understood to have agreed on the productivity targets, along with the staff unions at Longbridge where the new car will be assembled.

In a pamphlet circulating in Longbridge yesterday, Mr. Derek Waitaker, managing director of Leyland Cars, warned that the axing of the new Mini—code-named the ADO 88—would mean the loss of 100,000 jobs. He said that there would be no possibility of continuing the Marina and Allegro models and that Longbridge and Cowley would have to close.

Such a radical change in BL's structure would clearly cause a major political upheaval, and last night the NEB was seeking to reduce the air of confrontation between the developed and several shop stewards came out with hostile responses to the company's comments.

Although the Board could not consider the Mini proposals unless the productivity commitments were attached, the programme could be brought up again later, the NEB said. There was no question of closing the door completely.

Mr. Silkin, BL's major shareholder, has final responsibility for signing off investments in major projects. In its statement to Parliament earlier this year it made it clear that new developments must be accompanied by productivity improvements.

"What will ensure that BL is competitive internationally," said a condition of NEB approval was that these improvements had been discussed and accepted by the workforce.

The new Mini has become a particularly sensitive issue in the discussion about productivity, since the present objections are believed to indicate that the man-hour content in the vehicle will be higher than in the competitive Ford Fiesta. These objections have brought the project under some criticism from the NEB.

On the other hand, the NEB is as anxious as the company not to lose any more time than is necessary in getting the investment in the new vehicle under way. Once the design and development work is completed, and assuming that the new car gets the go-ahead, the plans will be passed on to the Department of Industry. There are hopes that the investments could get under way within a month of this point.

Warning to Ford workers, Page 18

Morris moves to block bid

BY KEITH LEWIS

TWO SURPRISE legal manoeuvres have been completed successfully by crane manufacturer Herbert Morris in its attempt to fend off the unwelcome takeover bid by Babcock and Wilcox.

In a highly unusual move, Morris has gained a temporary restraining order from a U.S. judge in Baltimore, preventing Babcock from proceeding with its offer. It has also obtained an injunction against the head of the merchant bank advising Babcock on the grounds that he may have access to confidential information about Morris.

The U.S. order has been made after Morris alleged that the bid would breach U.S. anti-trust laws.

Basis of the argument is that if Morris, which exports its cranes to North America, is absorbed into Babcock this could reduce competition because the existing crane manufacturer, the existing Babcock has in the U.S. through its subsidiary American Chain and Cable. This company was acquired at the end of 1975 for \$70m.

The implications of this move were being considered last night by Babcock and its advisers. The group will have to decide whether it should ignore the U.S. court order, which effectively is standing between one U.K. company taking over

TV rental companies justify profits

By Max Wilkinson, Industrial Staff

TELEVISION RENTAL companies launched a strong counter-attack yesterday against a suggestion by the Price Commission that they were making excessive profits and overcharging customers.

The Price Commission report shows that profits in the rental business have trebled since 1971 to £60m. in 1975, representing a 19.4 per cent return on capital. It says the big increase in profits arose from the change over to colour television which prompted more people to rent. At the same time, stable prices for colour sets and increased reliability had helped to keep down the operators' costs.

Rental companies, with a turnover of £800m. a year and £10m. capital investment in TV sets, now account for 83 per cent of the television market.

The Price Commission says the companies have sometimes been insensitive to their customers by increasing their charges at the same time as rises in VAT and by wiping out the effect of VAT reductions with higher rentals.

"It is quite clear that although at times companies have acted with insufficient regard to the feelings of their customers, they have always operated within the limits of the Price Code. The major issue that this study raises, however, is whether the level of profit made by the industry is justifiable in a period of price control."

Factual

"There is therefore an argument that prices could well be lower, even if this would have to be at the expense of reduced profit margins."

Yesterday, Sir Arthur Cockfield, chairman of the Price Commission, commented: "We are not condemning the companies for their success, but we feel that part of these benefits might appropriately have been passed on to the consumers, and a lot of consumers think the same."

Mr. Sidney Park, managing director of Thorn TV Rentals, the largest company in the field, said the conclusions drawn by Sir Arthur were not backed by the detailed findings of the report.

The report itself is factual, comprehensive and a first class advertisement for the rental companies. In the last few years there have been 30 changes made by the Government in VAT, purchase tax and credit regulations which have affected prices. "This is why so many MPs have been setting screaming letters from consumers about the increasing cost of renting their televisions. The vast majority of

Continued on Back Page

Tories would cut inflation, says Howe

BY RICHARD EVANS, LOBBY EDITOR IN BRIGHTON

CONSERVATIVE strategy for overcoming the economic crisis, involving fundamental changes in taxation and massive cuts in public expenditure, would be designed to reduce inflation dramatically within a three-year period.

The programme, spelt out to the Conservative Party conference yesterday by Sir Geoffrey Howe, Shadow Chancellor, was delivered in the terms of an election manifesto, but not one aimed at attracting votes by offering easy options.

"We offer no magic cure, no easy solution, but we do not suggest that salvation can be found behind the ramparts of a siege economy," Sir Geoffrey declared.

Instead, his programme "designed to reduce inflation over three years to the level acceptable in the 1950s," would include:

- 1—Slashing public expenditure from every programme, except defence, the police and those in real need. In addition, he pledged a Tory Government would reverse the trend towards raised the proportion of GNP consumed by public spending from 50 to 60 per cent over the last three years.
- 2—Profits would be channelled into productive investment by relaxing controls on prices and dividends and by giving companies and people incentive to grow.
- 3—Major tax reforms would be introduced to give more incentive generally. "It is vital to unleash the will to work," Sir Geoffrey said.

He admitted that the economic situation and the need to give top priority to reducing Government borrowing would mean that the total tax burden could not be cut immediately but some changes "could not be allowed to wait."

Vigour

Sir Geoffrey's speech, with that of Lord Thorneycroft, party Chairman, was made in the context of an early general election and the prospect of a Tory return to power.

In this theme, he has been propounded with vigour by Tory tacticians and propagandists, partly, the more cynical MPs believe, to boost the present recruiting campaign and partly to soften rank-and-file criticism of the Opposition's performance in Parliament.

In the conference debate on immigration, there was some support for Mr. Enoch Powell's views on repatriation, but a strong line from Mr. William Whitelaw, the Deputy leader, persuaded the conference to support Mr. Geoffrey Howe's policy.

There would be no waiting to see if the immigration law we have seen in the last few years.

Meanwhile there would be stronger action to end illegal immigration and a comprehensive register of dependants would be established to ensure the orderly entry of the wife and young children of those who had settled here before January 1, 1973.

Mr. Merlyn Rees, Home Secretary, said yesterday that repatriation of coloured immigrants on any significant scale was impracticable.

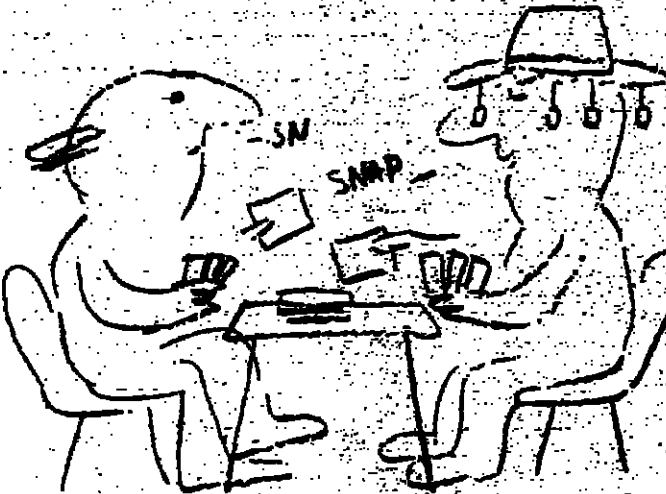
Conference report, Pages 16 and 17. Heath may heal rift, Back Page

Tax reform

Among early changes to be introduced by the Government, Sir Geoffrey said, would be a new tax on earned income which would drive many high earners into the tax net.

In general, the Conservatives intended to do to place more of the tax burden on indirect taxation "in order to stop tax on profits and dividends from eating up the rewards of enterprise and hard work."

"We can foresee the most urgent of these changes for less than Mr. Healey lost by abandoning our single 10 per cent rate of



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Tamburlaine the Great by B. A. YOUNG

new Porter once dismayed the horror of the gruesome, in-ventions Marlowe puts in. — Bajazeth in his cage, Tambur-laine's chariot-drawn by two captive kings with bits in their mouths, the Governor of Babylon hung on the walls of the city and shot to death by Tambur-laine's musketeers. There are no-battle scenes such as we see in Henry V, but the dialogue en-compasses some of the most ter-rific things in drama. What adds to their dread is the beauty of the languages in which they are narrated.

Marlowe has given Tambur-laine a macabre humour. Albert Finney, who speaks the verse with an acute understanding of both the pitiless fury of the man and the fine music of the poetry, catches this humour effectively. Of the other characters, only Zencrate (Susan Fleetwood) has room for subtlety, for Zencrate is afflicted with a divided loyalty, to her father, Tamburlaine's enemy, and to Tamburlaine him-self, and must indicate both sides of it.

Denis Quilley delivers Bajazeth's lines splendidly, though I felt he might have exhibited some signs of exhaustion after being starved in his cage; he dies horribly but reappears in the second part of the play as Bajazeth's son Callapine and plays him equally well, though without making any more dif-ference between them than Marlowe has provided for. Michael Gough speaks beau-tifully as Zencrate's father the Soldan of Egypt, and Robert Eddison, as one of the finest verse-speakers we have, is rightly given the first lines on the new stage as Prologue. Later, he gives a moving performance as Oricanes, one of the "pam-pered jades" that pull the chariot.

Brian Cox, Gawn Grainger and Oliver Cotton play Tambur-laine's "contributory kings"; there is a tender performance by Diana Quick as Olympia, who kills her son to some of the loveliest lines in the play; of a dozen effective images, I re-member Mark McManus looking pathetically boyish under Tam-burlaine's great crown as his father is dying at his feet.

Musicians sit on either side of the stage honing the emotions of the words with Harrison Birt-wistle's music. Beyond that there is only a black surround that opens for exits and en-trance.

It is too early to write much about the theatre itself. At first acquaintance it impresses with faultless lightnings from all over the house, and—at any rate from my seat, about as good as could be—good acoustics; but more experience is needed in other circumstances before giving any-thing like a final verdict. At any rate the supper arrangements during the 30-minute interval were admirable. Eating and drinking it on the terrace over-looking the Thames, I felt more than ever how miraculously lucky we are to have this remarkable building.



Albert Finney and Susan Fleetwood

Cutting edge by CHRIS DUNKLEY

Sydney Newman, who was responsible for ITV's *Armchair Theatre* and the BBC's *Wednesday Play* series during their formative years and who can consequently lay claim to the title of chief midwife if not mother (father?) of British television drama, recently gave the first James MacTaggart Memorial Lecture and told the members of the Association of Directors and Producers who organised it that the people in British television drama were more alive than their counter-parts anywhere else in the world.

Certainly coming back to British television after some weeks away, as I have, one is impressed with the sheer quantity of drama on offer in the autumn schedules: in six days I have watched three single plays and episodes from five serials and two series, and am aware that even then I have missed episodes of *Angels*, *Dickens of London*, and *The Steep*, not to mention the whole of *Lorna Doone*.

Yet quantity alone has very little significance; there is no virtue in having masses and masses of anything if it is uniformly bland and unmemor-able. Which is not to say that all British television drama is bland and unmemorable, but there are dangers.

Sydney Newman, who now works as special adviser on film to the Secretary of State in his native Canada, ended his lecture by saying:

"You in television here in England, for all your gripings and complaints about your lot, why you are more alive in the field of documentary and drama than people are anywhere else that I know of. Drama here is complementary to the news. Over there the men and women who devised *Kojak* are just like those of you who make *Tips and Tricks* on the radio."

Downstairs of Dr. Who—but there's one profound difference—when the makers of an episode of *Kojak* direct Telly Savalas to pop a *Monterio* lollipop into his mouth, they are likely to be at the pinnacle of their careers. They can direct very little else, for there's very little else that he wanted.

"Unless things have radically altered since I worked here you are not locked in that way. Sure, many feel they are stuck direct-ing, writing, or producing serials or cops and robbers series, but these are high quality mainly because of the carrying-on of the nobles above stairs, looks as though it ought to have been called *And In My Lady's Chamber*. It is well acted, as we have come to expect from all our television drama, and suitably well dressed and set if not with the lavishness we would once have anticipated from BBC drama group.

In fact all ten pieces of drama in those six days were accom-plished, well directed, and



Elizabeth Spriggs in 'Hannah' (Granada)

degree of pathos without ever being pathetic. The setting was contemporary.

Hannah, on the other hand, was written for Granada's um-brella title "Victorian Scandals" by Arthur Hopcraft, and was both an ideal vehicle for Robert Hardy as the Victorian gentleman and Elizabeth Spriggs as the maid who fascinates him, and also an intriguing look at that old Victorian obsession with class and caste. It was interest-ingly photographed with un-usually sombre interiors.

The *Duchess of Duke Street* is also period drama, and with its familiar alternation between the events of the below-stairs kitchen and the carrying-on of the nobles above stairs, looks as though it ought to have been called *And In My Lady's Chamber*. It is well acted, as we have come to expect from all our television drama, and suitably well dressed and set if not with the lavishness we would once have anticipated from BBC drama group.

In fact all ten pieces of drama in those six days were accom-plished, well directed, and

Sammy Davis Jr. Covent Garden Das Rheingold

you love Sammy Davis Jr. half as much as I do, I love this public audience at the di-um. There may be very little of Mr. Davis phys-ically, but his ego stretches out over the entire theatre, and only the streets beyond.

We hear long incoher-ent stories about Mr. Davis's arrival in the U.S., past coming to court, almost seems to fainting hotel recep-tists, we are introduced to mysteries of Mr. Davis's wealth and his 9,000 dollars of teeth, and accept a put-down of Frank Sinatra, acknowledged one of the "chairman of the chair" and the "father of the father."

I do not think he is joking. Sammy Davis exists solely as a business personality, and seven years on the boards you why. Take away his wheezing self-consciousness, and he is left with a funny little w, but also a fellow with a due voice.

cringed from Sammy Davis's sing chapter (rarely can an-ence have been so buttered "let's play another tune for nice people" was a constant aim). I wrote under "his ease of movement across stage which assumed pre-

ordained dominance of the audience; but I rather enjoyed it when he sang.

For although he kept on say-ing he was "just a song and dance man," Sammy Davis is a fine singer, and an even better mimic. He performed a Frank Sinatra medley, "Honey, Honey, Honey," which he managed at his peak; his impersonations were as subtle as the Las Vegas audiences he mainly plays to but he exactly caught Marlon Brando as the Godfather and Liz Minnelli as herself, and he manages to sing straight some of the finest standards, like "Tea for Two" and "The Lady is a Tramp."

There is not much dancing these days (Sammy Davis is an amazingly fifty fifty) and some of the talk is self-deprecatory, giving plain straight some of the finest standards, like "Tea for Two" and "The Lady is a Tramp."

It is hard to know whether Sammy Davis deserves it—he is working all the time, but he obviously enjoys performing and finds it easy. It is rather old fashioned, black tie styled, enter-tainment, ideal for Davis lovers and those who like to see egotists in action. Fortunately for Sammy Davis's sanity there are plenty of them around.

ANTHONY THORNCROFT

Elizabeth Hall Voice and guitar

is of our most intelligent and at-tle" talents. Philip Lang-er gave an Anglo-Spanish ar-tist on Monday with the ar-tist Carlos Bonell. Both ar-tists project easily in the abeth Hall, but what they and played, well chosen and balanced as it was between and fairly new, familiar and un-familiar, would have been suited to a smaller build-er, for instance, a Livery Hall, so, both the programme and standing of the performers id have drawn more people. Itten and Tippett were represented by work-ah, though not among their achievements, can car-ly be counted among the best things they have pro-

duced. Britten's *Songs from the Chinese* (various poets, trans-lated by Waley) dates from 1939, and includes such sharply evocative miniatures as "The Old Duke" and "The Herd-boy." Tippett's *Songs for Achilles* are re-workings from that hero's name in the opera. King Priam's Both composers, in their quite different ways, prove how un-necessary it is, when writing for the guitar, to rely on formulas.

Mr. Langridge sings Spanish with ease but the words don't as yet vivify his tone, as they do when he is using his native language for Dowland or for the composer mentioned above. Probably Gerhart's *Contones*, of which we heard three, were written with a more closely-knit timbre in mind, one which would sail more pliantly over the intricate guitar accompaniments. As soon as Mr. Bonell played solos (the very first, an arrange-ment of a dance from Purcell's *Fairy Queen*, was a striking example) one remembered with the usual surprise that the guitar is, or can appear to be, a melodic instrument. Denis Apthorpe's Variations (no theme, but a basic tone-row) are at their best when they resemble studies, isolating and working a particular figure.

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Sadler's Wells Theatre Three Ballets

One of the great problems for a ballet company is to preserve the individuality of its repertoire, to keep each choreographer's style clear and fresh. When a company, like the Royal Ballet, casts its artistic net wide, and can offer during a season Petipa, Ashton, MacMillan, Balanchine, Cranko, the difficulty of recon-ciling the troupe's own persona-lity with the authentic utterance of its creators' voice becomes even more considerable.

On Monday the Sadler's Wells section began their programme with Balanchine's *The Four Temperaments* before moving on to more domestic material with MacMillan's *Hermias* and Cranko's *Lady and the Fool*, in which latter pieces they are understood entirely at ease.

Temperaments, though looked distinctly unauthentic, to me, especially after having watched Balanchine's own company during the past two weeks showing off their ballet-master's works with such clarity and lack of emotional fuss. *Temperaments* opens with three duets as state-ments of the theme, and it is here that the Royal Ballet's charming artifice of making their confiding smiles to the audience seem so corrosive of the choreography.

They suffer from something which I might identify as the Tzarzan syndrome: in it double work appears decorated with "Mr. Siegfried, You Odette" symbolism, a romantic hang-over that clouds the purity of Balanchine's neo-classic choreog-raphy, making it look old-fashioned and nostalgic. Throughout the ballet this demure good taste stops the dances ringing out as they should. Energy is diluted, the bright pulse of the movement fading into gentility.

Only Desmond Kelly as Melancholic and Berndt Berg as Phlegmatic let the dance speak truly, and then the ballet looks the major work that it is.

Las Hermanas, which "belongs" to the company, was superb. Mr. Kelly is the best and most sensu-ally beautiful Man since Ray-barra, the role's creator, and Lynn Seymour is glorious in repression and despair as the Eldest Sister, with Brenda Last and Margaret Barberi ideal foils as the Jealous and Youngest Sisters. *And The Lady and the Fool*, novelistic though it now seems, is sustained by Miss Barberi's elegantly suffering Beauty.

CLEMENT CRISP

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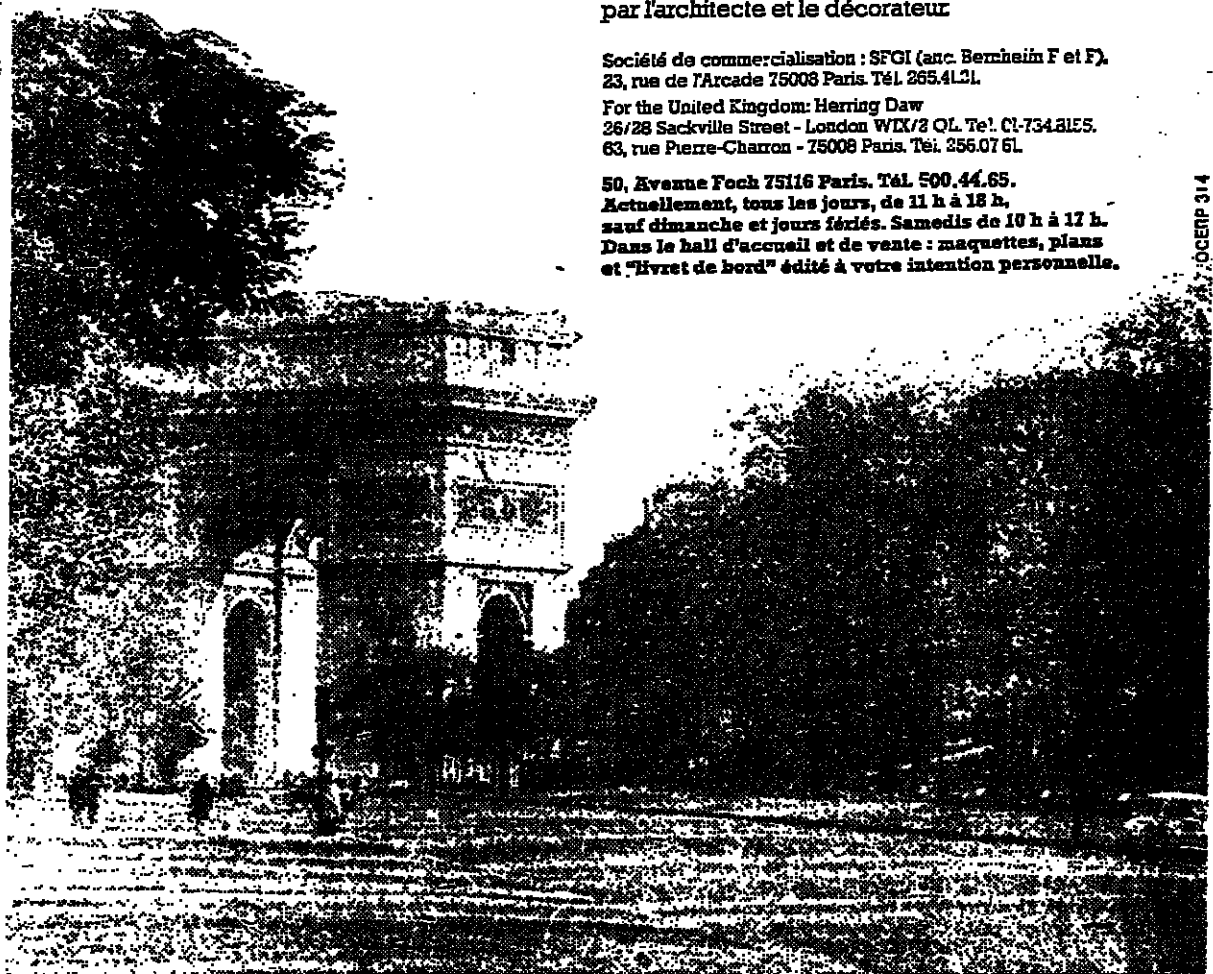
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IMF WORLD BANK MEETING

OPEC's aid burden is too big, says Algeria

BY REGINALD DALE

MANILA, October 5.

ALGERIA today warned the West against trying to pressurise the OPEC countries into providing too high a proportion of the Third World's financial needs.

Mr. Abdelhak Temam, the Algerian Finance Minister, told the IMF meeting here that such an approach smacked of the desire of "certain countries" to split the Third World and resulted only in delaying the solution of acute problems.

Mr. Temam referred specifically to the issue of contributions to the planned new International Fund for Agricultural Development, which is still short of the required \$1bn. total. The OPEC countries have pledged \$400m; if the OECD countries will produce \$600m, but the industrialised countries have only so far raised around \$530m, and want the oil states to bridge the gap.

The OPEC Ministers, who meet separately here tomorrow, will be hearing progress reports on the IFAD negotiations and on the \$800m. OPEC special fund, half of which has been allocated to IFAD. They will also be coordinating their position for a series of meetings here this week, but they are not expected to discuss future oil price levels, which is the prerogative of oil ministers.

Nevertheless, there clearly is

a logical link between future oil price levels and the OPEC countries' ability to contribute to multilateral aid operations. The western countries are looking for an OPEC contribution of perhaps \$1.5bn. in current negotiations to

vehicle for joint contributions to multilateral agencies.

In his speech to the conference, Mr. Temam pointed out that the OPEC countries were now already devoting at least 3 per cent of their GNP to development assistance, compared with 0.36 per cent for the industrial countries. The OPEC countries had also shown responsibility by managing their temporary financial surpluses to provide the industrial nations with the liquidity they needed, he added.

It was inequitable to try to make a group of countries, themselves among the ranks of the developing nations and with an aggregate GNP equivalent to not more than 5 per cent of that of industrial nations, bear the same financial burden as all of the industrial nations combined, he said. In the IFAD negotiations, the U.S. originally wanted a \$670 split between OECD and OPEC, which the OPEC countries regarded as a dangerous precedent.

Mr. C. Subramaniam, the Indian Finance Minister, also took the Western countries to task for delays in replenishing IDA, which he termed a "sad commentary on the functioning of the present economic system."

He called for substantial increases in IDA funds, the World Bank's capital and IMF quotas.

replenish IDA funds, due to expire at the end of next June.

But OPEC sources here do not expect that any OPEC country apart from Kuwait and Saudi Arabia will contribute unless oil prices are increased at the OPEC ministerial meeting in Doha in December. The OPEC countries have yet to agree on a proposal that their special fund should be replenished and used as a

U.S. suggests weekly gold sales

BY OUR FOREIGN STAFF

RESPONDING TO calls from the EEC and Canada for greater flexibility in the IMF's gold sales policy, Mr. William Simon, U.S. Secretary of the Treasury, has suggested weekly gold auctions which would be "less disruptive" to the market.

Emphasising that there was a political commitment to phase gold out of the international monetary system, Mr. Simon in an interview with Reuters, said that the IMF was firmly committed to sell 25m. ounces of the metal over the next four years. At present, this is being done by holding auctions of 730,000 ounces of gold at a time at six to eight week intervals.

While the U.S. would oppose any effort to extend the auction timetable so that no gold might be sold over a three-month period, Mr. Simon said there was still scope for greater flexibility. Weekly auctions, he said, would allow the metal to be absorbed

in small quantities without unduly depressing the price.

There have been three IMF auctions so far with the price declining from \$136 an ounce at the first auction in June to \$109.40 at the third auction last month. The next auction will be on October 27, but the IMF has agreed to review its gold sales policy before the end of this year.

In a separate development, a report prepared for the U.S. Treasury says that gold sales to private buyers by the IMF and governments could increase substantially without driving down the price of the metal.

The report prepared by Mr. Thomas Wolfe - for many years the U.S. Treasury's expert on gold - estimates that the present annual volume of official gold sales of 10m. ounces a year could rise to 25m. ounces annually without changing the price in constant dollars. The report says

that without an increase in the volume of gold offered for sale, the real price of the metal will probably rise.

Over the long run Mr. Wolfe predicts a gradual increase in the gold price because he sees no reasonable prospect of increased gold output.

He calculates that gold output has fallen some 20 per cent from its 1970 peak of 47m. ounces. At best it is expected to hold relatively stable over the next decade.

Mr. Wolfe predicts that New York and Chicago will become the largest of the world's gold trading centres. He says that fewer than 20 major dealers operating in London, Zurich, New York and Frankfurt handle virtually all gold bullion transactions at present. The U.S. Treasury says that the Wolfe report represents his own views and is not a statement of Treasury policy.

Simon sees payments chaos next year

A WARNING that the international payments system in 1977 may revert to the chaotic pattern of 1974 was given by the U.S. Treasury Secretary, Mr. William Simon.

Unless there was a dramatic change in outlook, the world payments pattern next year will "strikingly resemble" that of 1974, if Opec nations again raise the oil price, then this would "seriously aggravate" an already troublesome financial situation.

Even without an increase in the oil price, Mr. Simon forecast the 1977 Opec balance of payments surplus at \$60bn. or more, while OECD countries would suffer deficits of some \$35bn. and the oil importing developing countries deficits of \$12bn. to \$15bn.

Mr. Simon said that while the 1974 deficits had been financed successfully, the situation in 1977 - reflected substantially different circumstances.

Mr. Simon warned that as the debt position of deficit countries increased, so a growing number of countries which had delayed the adjustment process would approach limits beyond which they could not afford to borrow and beyond which prudent creditors would refuse to lend.

Mr. Simon suggested a package which might be successful in dealing with this difficult situation. This implied adjustment by individual countries of their payments deficits - some slowing of the rate of private international lending, a flexible floating exchange rate system and some moderate provision of financing on a multilateral and conditional basis.

Indonesia buffer stock call

INDONESIA has suggested that World Bank joins in with the financing of buffer stock schemes aimed at maintaining fair and stable export prices for developing countries.

The Indonesian Finance Minister, Mr. Ali Wardhana, urged the IMF seriously to review, as soon as possible, its buffer stock financing facility and also encourage the World Bank to participate in the financing of buffer stock schemes, once they were established and internationally recognised.

Slower U.S. growth

Mr. William Simon told the IMF annual meeting that he expects the growth rate of the U.S. economy to slow next year. The U.S. Treasury Secretary forecast a growth rate of 5 to 6 per cent next year in the U.S. economy, saying that growth of 6 to 7 per cent over an extended period would overheat the economy and lead to a new round of inflation.

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London, you will be able to have confidence in what you buy. Quality never depreciates at M. GERARD'S.

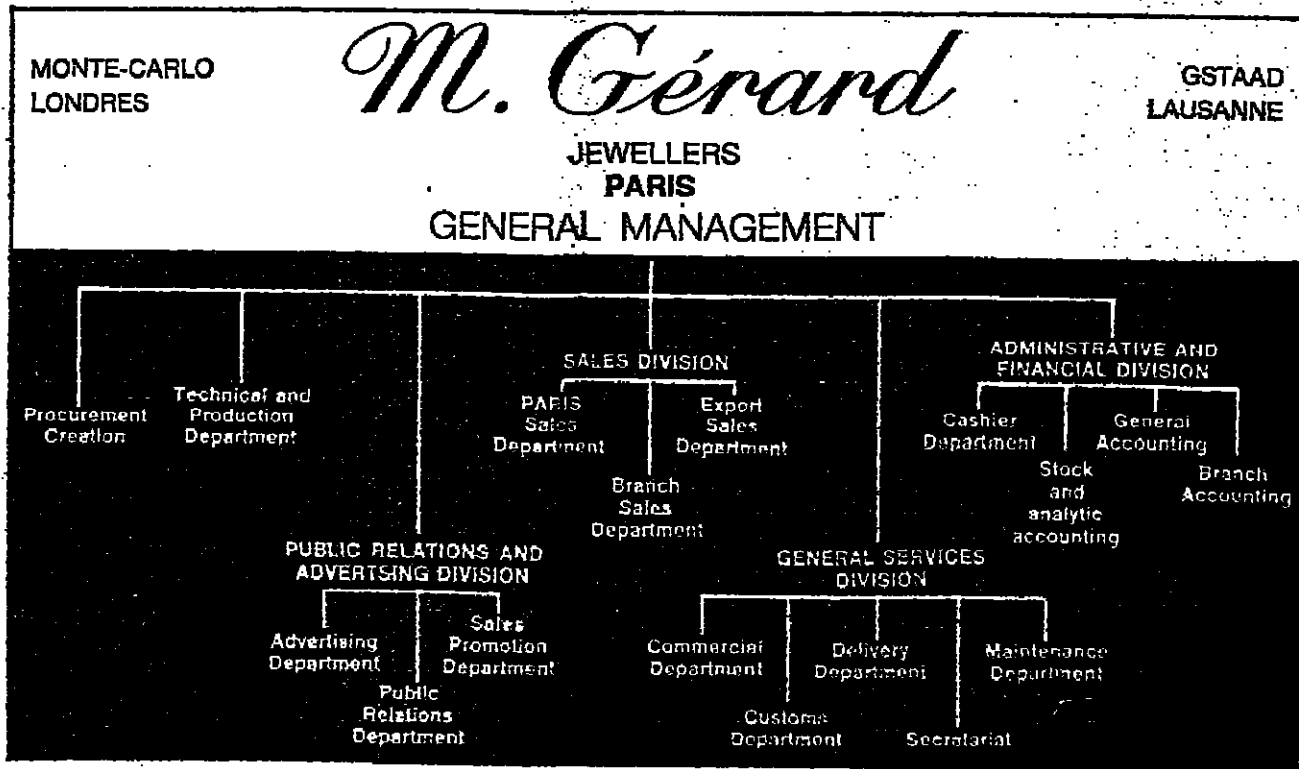
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EUROPEAN NEWS

Norway sets
up offshore
fishing zone

By Fay Gjester

OSLO, Oct. 5. NORWAY'S Government plans to establish economic zones along the whole mainland coast on January 1 next year, Prime Minister Olov Nordli, told the Storting (Parliament) today.

Along the northern part of the coast, the zone—effectively Norway's new fishing boundary—would extend outwards for 10 nautical miles in the North Sea area. Here, it could reach as far as the median line with the other coastal states. Negotiations have been in progress with the USSR concerning the boundary between the Norwegian and Russian continental shelf in the Barents Sea.

Regarding fisheries around the Spitzbergen (Svalbard) archipelago, over which Norway has sovereignty, Nordli said the subject "was being studied by an intra-Ministerial committee."

He said the Government now had ample grounds in international law for establishing an economic zone. Its purpose would be "to create a basis for effective protection of fishery resources along the whole Norwegian coast and to secure the livelihood of the coastal population."

The Prime Minister promised to continue negotiations with countries which would be particularly affected by Norway's move, but added, pointedly: "These negotiations concern the question of fishing rights. They do not concern the date for establishment of the Norwegian zone."

He also promised further efforts to safeguard Norwegian fishery interests in other states' coastal waters by the conclusion of agreements on reciprocal fishing rights with the States involved.

An enabling bill authorising the Government to establish economic zones was tabled by the Government last month, and will probably be passed by the Storting soon. It empowers the authorities to take temporary regulatory measures "even before the zones have been declared."

Fishing Limits Minister Mr. Ole Evensen, suggested yesterday that once the bill has been passed, the Government may move to ban fishing in Norway's northern waters by countries not belonging to the North East Atlantic Fisheries Commission (NEAFC).

The NEAFC regulates fishing for Arctic cod in the Barents Sea, but its quotas and regulations are ignored by ships from non-member countries. Norwegians are increasingly concerned at the growing number of ships from such countries taking part in the Arctic cod fisheries.

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SPD-FDP confirm
plans to continue
German coalition

BY NICHOLAS COLCHESTER

BONN, Oct. 5.

HERR WILLY Brandt, chairman of the West German Social Democratic Party, and Herr Hans-Dietrich Genscher, the leader of the Free Democrats, paid separate visits to Federal President Herr Walter Scheel today to announce their intention of continuing their coalition with Herr Helmut Schmidt as Chancellor. The leaderships of the two parties then came together to discuss the basis of another four years of Government.

Herr Genscher said today that he had accepted Dr. Kohl's invitation to discuss the FDP's alternative of a CDU-FDP coalition. The FDP leader claimed that it would have been "miserable form" not to have gone along.

Late last night the FDP in parliament decided unanimously to continue the partnership with the Social Democrats. Before meeting the SPD leader.

French Premier warns on development of EEC

BY ROBERT MAUTHNER

PARIS, Oct. 5.

M. RAYMOND BARRE, the French Prime Minister, today warned that the European Community risked rapid disintegration if it did not progress, and promised that his Government would do everything in its power to promote its development.

The Prime Minister, who was making the new Government's traditional general policy statement to the National Assembly, gave considerable prominence to European policy, as one would expect from a former Vice-President of the Common Market Commission. But he confined himself to generalities and did not announce any French initiatives.

The achievements of the Community so far were far from negligible, he said, but they were not irreversible. The French Government, whose aim continued to be the creation of a

European confederation in which each country would retain its national sovereignty, had set itself three main targets in this field.

In the first place, it would work for the consolidation of the Common Market customs union and agricultural policy. Secondly, it would support any new joint policies or initiatives in which Europe had a clear interest. Finally, it would strive to build a European union of the confederal type, the foundation for which had already been laid by the European Council and the decisions it had taken.

If M. Barre went no further than setting down these very broad objectives, it was clearly because the Government did not want to add to the political difficulties it is already facing as the result of the resignation of M. Jacques Chirac, the former Gaullist Prime Minister.

His remarks were accorded double significance here since they came on the eve of the National Assembly for an autumn session which is expected to be overshadowed by the forthcoming local election campaign.

Speaking from the balcony of Lisbon Town Hall, where the first republic was proclaimed in 1910, President Eanes had few kind words for the performance of Portugal's civilian politicians. Warning that the country had

to "avoid the social indiscipline that destroyed the ideals of the first republic," he affirmed: "There is still widespread corruption that goes unpunished, incompetence, and institutions whose usefulness no one can work out."

The Government, meanwhile, hinted that its thinking on further measures to rescue the economy was leading towards a de facto wage freeze. A communiqué issued early today said the Prime Minister, Dr. Mario Soares, and his colleagues had adopted a resolution which would block pay rises for individual industries until they had been assessed "globally" by all Government departments.

Italy: new
austerity
plan soon

By Dominick J. Coyle

ROME, Oct. 5.

THE Italian Government promised "austerity package" is now expected to be approved formally by the Cabinet on Friday. It is likely to include a wide range of consumer price rises, an increase in VAT on some imports, a reduction in the number of public holidays and a temporary abolition of threshold payments for higher-paid workers.

Sig. Giulio Andreotti, the Prime Minister, will be in contact with both sides of industry prior to the minority government programme being announced, and he is also expected to have at least informal contacts about the package with other political parties, including the Communists (PCI).

The Christian Democrat administration requires at very least the abstention of the PCI and of its own former colleagues in the Centre-Left governments if it is to get through parliament, and many are now believing that this will be forthcoming. They have not, however, written off the possibility of winning positive backing from some of the "opposition" parties.

The Prime Minister, who has already called for "sacrifices" from all sections of the community in an effort to restore the economy to something like equilibrium, bought a little time at the weekend with his package of monetary measures to arrest the sharp decline in the value of the Lira against most major currencies. This included a three point rise to 15 per cent. in the discount rate.

However, it is acknowledged freely that this is purely a stop-gap measure, and what is now awaited here is the promised "austerity package" itself which is intended, said Sig. Andreotti, to lay a basis for national economic recovery.

Brezhnev
complains
of NATO
pressure

MOSCOW, Oct. 5.

COMMUNIST PARTY leader, Leonid Brezhnev, accused NATO today of constant military pressure on the Soviet Union and other Communist countries, and said this was why the Kremlin kept it forces strong. In an interview with French Television, transmitted in Moscow, Mr. Brezhnev said also that the Kremlin "has never threatened anyone and does not threaten anyone."

It was ready for mutual force reductions and other measures leading to overall disarmament. Looking at and well, he sipped tea from a glass in a silver holder in his Kremlin office where books of his own speeches were on the shelves. It was the first interview of this type he had given a western newspaper for some years, and was being broadcast simultaneously in France where a Soviet week is under way on television.

Mr. Brezhnev said the Soviet Union had been surprised by the stand of several western Governments on the problem of disarmament.

It seems that no-one denies in words the importance of reducing armaments, while in deeds, spokes are being put in the wheels," he declared. "Some circles in Western countries persistently spread allegations about a Soviet threat, and are assiduously speculating on the fear they sow themselves."

He said that last year's European Security Conference in Helsinki had produced "new good forms of co-operation," but said that there were forces in the U.S., West Germany and other countries which were working for a return to the Cold War.

The Soviet Union, Mr. Brezhnev declared, "respects and observes the agreements achieved in Helsinki in full," and was, together with other Communist countries, leading implementation of the conference records.

He said the USSR had to perfect its own armed forces because it was faced with an arms race and a situation where calls were being made for NATO's "leading power" to be made the strongest in the world he added.

Calls were also being made for NATO to build up its own armaments, and this exerted constant



Mr. Leonid Brezhnev speaking during his interview with French television.

pressure on the Soviet Union and its allies, he said.

"If someone is really worried about the level of Soviet armed forces, then, it would seem the other side must have even more reasons for getting down in earnest to reducing armaments, and for advancing step by step to a great goal—general disarmament."

The Belgrade meeting will be held to take stock of results of last year's Conference in Helsinki. Some Western countries have complained that the Soviet Union has not fulfilled all the Conference's human rights agreements.

Mr. Gromyko, who had talks with Belgian Prime Minister Leo Tindemans and foreign minister Benoit van Elstlande, also said he was happy with results of the week-end West German general election which returned Chancellor Helmut Schmidt's coalition to power, though with a much reduced majority. This "cannot fail to cause satisfaction on our part," he said.

Mr. Gromyko said in Brussels today that he does not want next year's European Security Conference to be a "complaint box" against the USSR. He told a Press conference at the end of a three-day official visit here that the conference in June should be constructive, and should seek to strengthen détente between East and West.

Danish
business
backs PM

By Hilary Barnes

COPENHAGEN, Oct. 5. WHILE Prime Minister Anker Jørgensen, in his statement at the opening of the new Folketing (parliament) yesterday, appealed for support for the Government's anti-inflation policies, the Danish Federation of Industries published forecasts showing that these policies will have this year's 4 per cent. growth rate to 2 per cent. in 1977.

The Federation forecast reduced growth on nearly all fronts, with private consumption rising by only 1 per cent., compared with 6 per cent. this year, housing investment falling by 10 per cent., public sector consumption and investment increasing by 2 per cent. against 21 per cent. this year, and business investment rising by 5 per cent., compared with 10 per cent. this year. Exports, however, were to increase by 7 per cent., slightly faster than this year's 51 per cent.

The curb on domestic demand will increase unemployment by about 10,000 (from about 120,000 to 130,000) or from 51 per cent. to nearly 6 per cent., but the current balance of payments deficit, Denmark's most acute problem, will only be reduced from Kr.10bn. this year to Kr.9bn. next year, said the Federation. There will be a small improvement in inflation, with consumer prices rising by 71 per cent. compared with 81 per cent. this year.

Mr. Thorbjørn Fälldin, a 50-year-old sheep farmer and leader of the Centre Party, was nominated today to be Sweden's first non-socialist premier in 44 years, UPI reports from Stockholm. The Speaker of the Parliament, Mr. Henry Allard, in a 46-second Parliament session, said, "after talks with representatives of each of the parliamentary parties and discussions with the vice speakers, I hereby suggest to the Parliament that it name as the new Prime Minister Mr. Fälldin."

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Cash and time deposits	270,951	Bank loans	479,337
Notes and accounts receivable, trade	378,131	Notes and accounts payable, trade	255,152
Inventories	359,244	Other current liabilities	339,407
Other current assets	124,243	Other liabilities	355,999
Property, plant and equipment	255,087	Common stock	97,836
Other assets	231,925	Surplus	78,753
Total assets	1,602,581	Total liabilities	1,602,581

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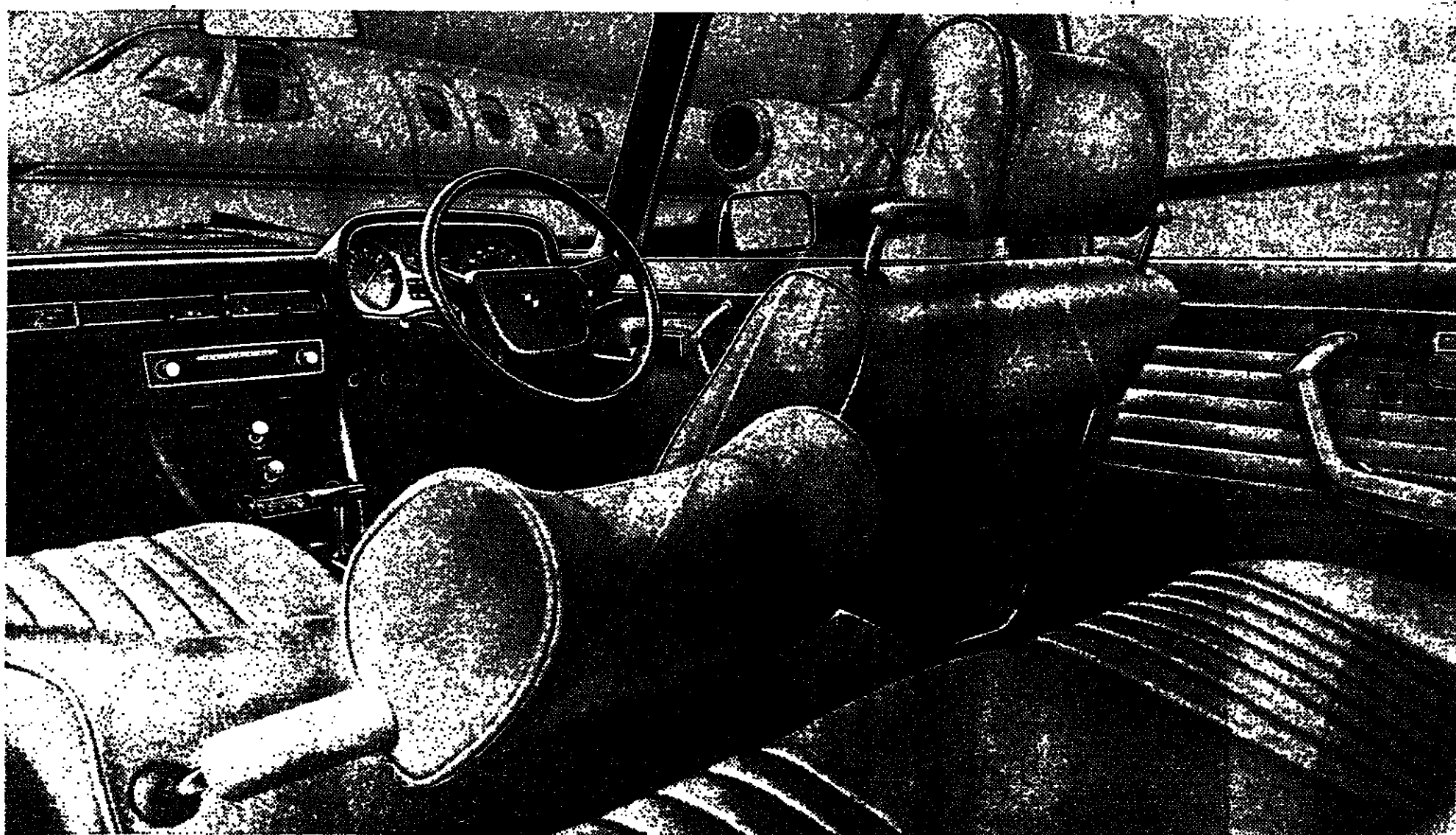
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Agents for BMW in the UK are BMW (UK) Ltd, 100 Brooklands Drive, Weybridge, Surrey, Middlesex, TW20 1EX. Tel: 0181 606 1111. Telex: 940000. Fax: 0181 606 1112. BMW (UK) Ltd also has a network of agents throughout the UK. A list of agents is available on request.

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BMW 116i 1.8L 16V, 105 BHP, 130 mph, 0-60 in 10.5 sec. Price £11,900. BMW 118i 2.0L 16V, 125 BHP, 140 mph, 0-60 in 9.5 sec. Price £12,900. BMW 120i 2.3L 16V, 150 BHP, 150 mph, 0-60 in 8.5 sec. Price £14,900. BMW 124i 2.5L 16V, 170 BHP, 160 mph, 0-60 in 7.5 sec. Price £16,900. BMW 126i 3.0L 190 BHP, 170 mph, 0-60 in 6.5 sec. Price £18,900. BMW 128i 3.5L 200 BHP, 180 mph, 0-60 in 6.0 sec. Price £20,900.

BMW 2 Series
BMW 200i 2.0L 16V, 125 BHP, 140 mph, 0-60 in 9.5 sec. Price £12,900. BMW 224i 2.5L 16V, 170 BHP, 160 mph, 0-60 in 7.5 sec. Price £16,900. BMW 228i 3.0L 190 BHP, 170 mph, 0-60 in 6.5 sec. Price £18,900. BMW 230i 3.0L 190 BHP, 170 mph, 0-60 in 6.5 sec. Price £18,900. BMW 230i 3.0L 190 BHP, 170 mph, 0-60 in 6.5 sec. Price £18,900.

BMW 3 Series
BMW 318i 1.8L 16V, 105 BHP, 130 mph, 0-60 in 10.5 sec. Price £11,900. BMW 320i 2.0L 16V, 125 BHP, 140 mph, 0-60 in 9.5 sec. Price £12,900. BMW 323i 2.5L 16V, 170 BHP, 160 mph, 0-60 in 7.5 sec. Price £16,900. BMW 324i 3.0L 190 BHP, 170 mph, 0-60 in 6.5 sec. Price £18,900. BMW 325i 3.0L 190 BHP, 170 mph, 0-60 in 6.5 sec. Price £18,900.

BMW 4 Series
BMW 418i 1.8L 16V, 105 BHP, 130 mph, 0-60 in 10.5 sec. Price £11,900. BMW 420i 2.0L 16V, 125 BHP, 140 mph, 0-60 in 9.5 sec. Price £12,900. BMW 423i 2.5L 16V, 170 BHP, 160 mph, 0-60 in 7.5 sec. Price £16,900. BMW 424i 3.0L 190 BHP, 170 mph, 0-60 in 6.5 sec. Price £18,900. BMW 425i 3.0L 190 BHP, 170 mph, 0-60 in 6.5 sec. Price £18,900.

BMW 5 Series
BMW 518i 1.8L 16V, 105 BHP, 130 mph, 0-60 in 10.5 sec. Price £11,900. BMW 520i 2.0L 16V, 125 BHP, 140 mph, 0-60 in 9.5 sec. Price £12,900. BMW 523i 2.5L 16V, 170 BHP, 160 mph, 0-60 in 7.5 sec. Price £16,900. BMW 524i 3.0L 190 BHP, 170 mph, 0-60 in 6.5 sec. Price £18,900. BMW 525i 3.0L 190 BHP, 170 mph, 0-60 in 6.5 sec. Price £18,900.

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AMERICAN NEWS

Brazil 'must use N-power'

Brazil's Foreign Minister, Antonio Azeredo da Silveira, said yesterday that his country will insist on its right to take full advantage of nuclear power, full reports from Washington. He told U.S. Secretary of State Henry Kissinger at the beginning of their two days of talks that the lack of fossil fuels gave Brazil no alternative. "Our decision to adopt nuclear power" has no other purpose. It is peaceful and we have taken steps that it will remain peaceful. He noted what he called the lack of U.S. understanding about nuclear power. U.S. officials had criticized Brazil's decision to build extensive nuclear power generating equipment as a potential danger.

Steel of Canada tries coal stake

A 25 per cent interest in a large coal deposit in the Elk River area of British Columbia has been offered by the Steel Company of Canada, the largest steel producer in Canada. James Scott reports from Toronto. Steelco and its partners, who include Home Oil and Gas, a consortium of West German and Italian steel producers, will spend \$17m during the next 18 months to carry out an evaluation of the deposit. The deposit has estimated reserves of 500m tons of low to medium volatile metallurgical coking coal and if the evaluation programme is positive, the companies will invest \$300m to bring the deposit into production as early as 1982.

Dean book may raise issue of Watergate once again

BY DAVID BEEL

MR. JOHN DEAN, the former special counsel to President Nixon, has already left his own inimitable mark on this election campaign. In a carefully written article in today's Washington Post, Mr. Dean, who was a political reporter, claims that in his forthcoming book—aptly entitled "Behind the Deception"—Mr. Dean and President Nixon extensively discussed getting either Mr. Ehrlichman or Mr. Haldeman to talk to Mr. Ford. At one point Mr. Nixon expanded to Mr. Dean on the need to talk to Mr. Ford and "Tell him that he has got to get at this and screw this thing up while he can, right?"

Canada postal strike spreads to Ottawa

BY VICTOR MACKIE

INSIDE postal workers at the main Ottawa postal terminal staged a walkout to-day after the 1,700 postmen at Vancouver ended their one-day walkout. The postal workers, including 1,200 in Ottawa, are protesting against lack of consultation on technological changes. Mr. Jean Claude Parrot, vice-president of the Canadian Union of Postal Workers, said the union was under attack by the Government and members would walk out again if necessary to protect their job security and working conditions.

Postmaster-General Jean Jacques Blais said he would seek an injunction to force the Ottawa postal workers back on the job. He described the strike as illegal and said the postal workers should adhere to their contract. Work stoppages by Canada's 23,000 mail sorters, postal clerks will spread across the country unless the Post Office makes further technological changes until an agreement is reached between union and management, or a decision is reached by a special adjudication committee, said CUPW president Joe Davidson.

Steel industry Lifetime job security sought

BY JAY PALMER IN NEW YORK

THE U.S. STEEL industry appears once again to be running into the doldrums, after having shown a strong recovery in the spring. Reduced demand from some quarters has caused production levels to fall in recent weeks from the May levels of 90 per cent of available capacity to the depressed 80 per cent seen at the beginning of this year.

In the middle of last month five of the major U.S. steel producers, including the two largest, U.S. Steel and Bethlehem, laid off workers, and further cuts may follow in coming weeks. However, even if that does not happen, the layoffs already carried out serve as a foreboding warning that the contract negotiations with the United Steel Workers' Union (USW) in February will be stormy, and have ominous implications for the economy.

The issues at the heart of the talks are likely to be even more important in the long term than a strike in this critical industry. Last month the USW, America's third largest union, with 1.3m members, admitted that its major demand in the negotiations will be for "lifetime job and wage security."

Mr. Sadowski is a good deal more interested in ideology than most labour leaders. Victory for his radicalism could not but have a major impact on the entire U.S. union movement as well as upon the steel industry. He has been strongly criticised of the USW's deliberate efforts in recent years to achieve strikes in contract bargaining—a policy which has won Mr. Abel wide respect and praise for his moderate leadership. Mr. Sadowski has made it very clear that if elected he will throw out the Experimental Negotiating Agreement signed by the USW in 1973 and first put into effect in the 1974 contract negotiations. It provides that disputes about wages and benefits should be settled by binding outside arbitration without any strike.

Both sides admit that this agreement has not yet really been tested and that any remaining severe disagreements could lead to strikes. Mr. Sadowski has stated categorically that he wants a return to a one-year contract with the union no longer forgoing the strike weapon. The most obvious problem for this rebel challenger is that the 1974 contract signed under the ENA has given steelworkers salary rises of over 25 per cent an hour—more than double the rate of inflation. But it remains true that his apparently strong support and the support can hardly be discounted at a time when almost every report shows that the trade unions are losing public esteem and the workers' support. Latest figures from the Labour Department show that though total membership had grown to 22.5m from about 18m in 1968 and 15m in 1960, only 25 per cent of all workers are unionised now, as against 55 per cent in 1965. Yet on the basis of historical precedent, one could have expected the current high unemployment to increase the attractions of union membership.

Concessions
At first glance this appears similar to the demand for lifetime job and wage security put forward by the United Auto Workers' Union in its talks with Ford, which led up to a strike, the differences are many. The USW simply wants more pay, to force the company to hire a workforce of members. The steel union, which has a deserved reputation for winning major concessions that other unions can only copy, wants a huge step further. It wants the steelmakers to concede a "guaranteed lifetime wage"—in essence a minimum amount that would be paid to every single worker each year of his working life, fully protecting him from layoffs and plant closures.

The steelmakers have already described the idea as "ruinous" and "the union could well moderate its demands between now and February. But the two sides have agreed to hold preliminary discussions to thrash out the idea. It is obvious that many problems are involved in providing a guaranteed lifetime wage. Some of the problems will have to be worked into the existing plans which give USW members up to 15 per cent of their normal take-home pay for up to 52 weeks after being laid off.

The two sides will also have to agree on eligibility requirements, especially since the minimum period of work required to qualify for the scheme will greatly affect the number of workers covered and hence the potential cost to the industry. Other possible difficulties concern how to deal with workers who have changed jobs or companies that have gone out of business—not to speak of the funding of the programme.

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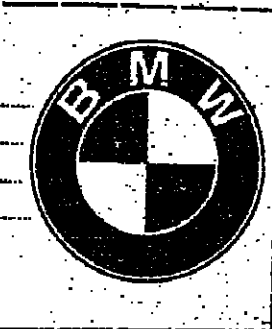
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Clearly, the hope is that the debate will result in the fortunes of the two candidates being one of the factors that will persuade the country to vote for Mr. Ford. It is the yearning for world peace and that his record in the national capital is the reason that he is fulfilled that yearning. They are also confident that Mr. Ford will show himself again to be the better performer in debate.

When they expect Mr. Carter to be much more aggressive this time, they anticipate that he will try to bring up the Bay of Pigs by quoting the remarks of Mr. William Scranton, the U.S. ambassador, who said that Mr. Carter would have caused adverse impact on Dr. Kisinge's African policy, and they would not be surprised if Mr. Carter was to allege that Mr. Ford demonstrated lack of leadership and cynicism by not seeking Mr. Butz outright, and that that kind of consideration is not appropriate for the conduct of American foreign policy.

Racism

Finally, nobody seemed to have much of an idea as to how to turn the issue of racism into a production of sound bites for the president. I asked if Mr. Butz, as a private citizen, would be campaigning for the President; he would like to, was the reply. Is the farm belt—that would be logical, now about that in front of me—so much more racist than there be a bold counterstroke if Mr. Butz is indeed the good and decent man the President says he is. The question, a serious one, went unanswered.

Yet the White House knew that Mr. Butz was going to resign and that his sudden arrival to see the President yesterday. The White House knew the night before and was probably disconcerted because it looks as though a decision had been taken to keep Mr. Butz on his record to prevent his resignation from the political damage would be containable. They had time to prepare the counter punch, but it has not been thrown yet and it may not be. There are indeed, twofold times for Gerald Ford and his men:

WASHINGTON, Oct. 5. UNION CARBIDE Corporation of Hallmark Cards Inc. are targets of "separate" investigations by the Federal Trade Commission (FTC) staff, according to documents on file with the FTC.

The objective of the inquiries is to learn from the information available about the two cases, which are unrelated. However, documents suggest the FTC is investigating how each company might have discouraged competitors in Union Carbide's case, through its possible acquisition of interests in a number of welding-supply companies, among other things, and in Hallmark's case, through its method of "selecting its assisting" retail locations in toppling centres.

The documents, first reported in "FTC Watch," a newsletter covering FTC activities, include allegations by individuals and unions by welding-supply companies, and by Hallmark dealing with FTC subpoenas for detailed information about their operations. The notices seek to quash the subpoenas or to prevent disclosure of parts of the responses.

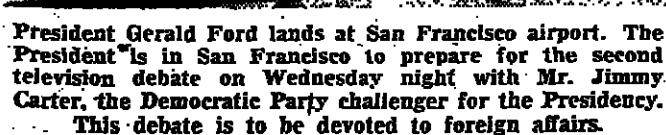
Most references to what the TE wants have been excised from the welding-company subpoenas. Nevertheless, the notion of one, Kreis Distributing, Maplewood, New Jersey, refers

to the FTC's demand for information to about any Union Carbide investment in Kreis by "equity purchase, capital contribution and outright loan."

The Kreis motion further contended that its "relationship" with Union Carbide "does not result in an advantage to Kreis in the industry as against other Carbide distributors which do not have similar arrangements."

Hallmark Kreis asked that the Commission keep any information it might supply about Union Carbide confidential. "The disclosure of that information by Kreis's competitors can be used in such a manner that Kreis's customers and business associates would find it difficult to believe that Kreis was not occupying an unfair position," the company argued.

Hallmark, in its motion, argued that the "massive" 78-page subpoena it received "is aimed at extracting documentation pertinent to the most important facets of Hallmark's greetings card options and of its commercial existence." Hallmark, based in Kansas City, Missouri, dominates the U.S. greeting-card market with sales estimated at \$500m. a year. Its shares, which are closely held by the founding Hall family and a few Hallmark employees, are held by AP-D



President Gerald Ford lands at San Francisco airport. The President is in San Francisco to prepare for the second television debate on Wednesday night with Mr. Jimmy Carter, the Democratic Party challenger for the Presidency.

How would you like

These securities having been placed privately, this announcement appears as a matter of record only.



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October 6, 1976

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The most robust sales assistant would quail at the prospect.
So would the most robust customer.
Sale time or not, a hot foetid atmosphere is *not* conducive to good business. Tempers get lost. So do sales.
There's a simple solution.
Install air conditioning.
What an air conditioning system can do is to draw the hot air out of a room, cool it, de-humidify and filter it, and feed it back in, fresh and clean.

The result? Sane staff who sell more. Cool customers who buy more.

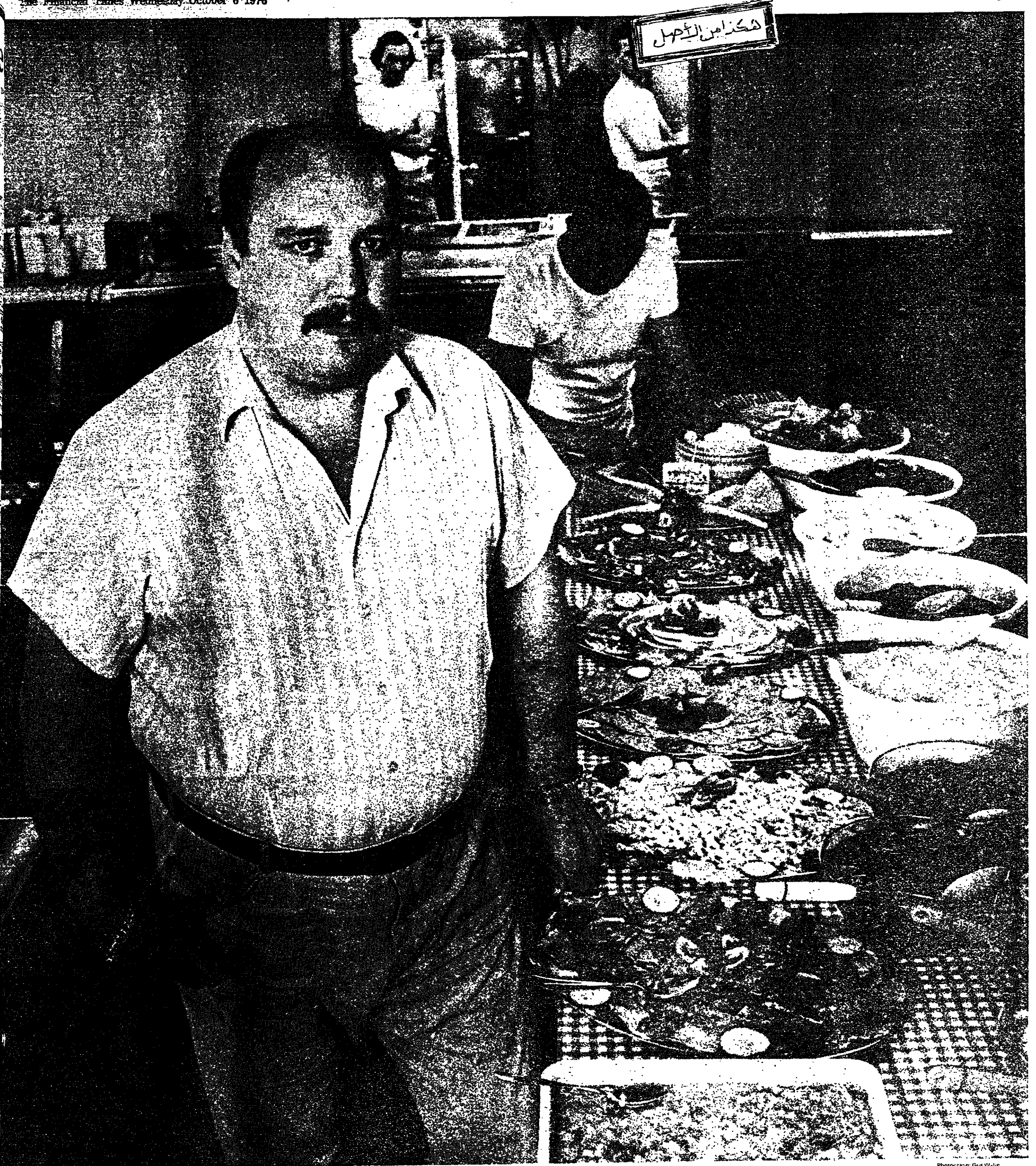
In short, better profits.

If you'd like some information about air conditioning systems, about which kind might suit *you* best, an idea of how much the chosen system would cost to run and install, ring Bernard Hough on 01-834 8828.

Or write to him at the Air Conditioning Advisory Bureau, 30 Millbank, London SW1P 4AR.

Or get in touch with your Electricity Board.

FRESH ELECTRIC



Photograph: Gus Wile

Don't try to tell Tom Wilson less is more.

Tom Wilson is camp boss on the Beryl A platform, about 100 miles southeast of the Shetland Islands in the North Sea. One of his jobs is feeding the men; and when you're talking about food for oil field workers, *more* is more. Tom makes sure the men get plenty to eat.

Feeding the crews is a job Wilson takes very seriously. He sees the food is cooked with care and imagination (there's a copy of *Le Repertoire de la Cuisine* in his office aboard the platform), and he lays in enough so there's always 10 days' supply on hand in case supply ships can't get to the platform in bad weather.

The worst grumbling Tom can remember came when weather caused cook to run out of the hot sauce some of the American workers put on their breakfast eggs. Since nobody back home in Dunfermline, Fife, would do such a thing to eggs, Tom had some trouble understanding the complaints. Still, he now keeps an extra extra supply of the sauce on hand.

Camp boss Wilson is one of thousands of men and women who have found work because of the North Sea search for oil. Wherever in the world a company like Mobil looks for oil, large numbers of jobs are created.

We've seen it happen again and again, from North Sumatra to the North Slope of Alaska to the North Sea. It's one of the satisfying aspects of this work.

But the big satisfaction in the North Sea job will come if Britain reaches the self-sufficiency in oil she hopes to achieve by the 1980s, to provide the assured energy supply a nation needs for industrial and economic growth. Mobil is in the thick of the North Sea activity, hopeful about the prospects, and pleased to be providing employment for people like Tom Wilson.

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However, search facilities for inspecting company records will be maintained in London as well as in Cardiff. And the Register of Business Names also remains in London at Pembroke House.

For a leaflet describing the new facilities write to Cardiff or ring:

Cardiff 388588 Ext. 2553/4.

London 01-253 9393 Ext. 272.

**Please note this new address—
it's in your interest.**

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Cut out and keep for reference

Voluntary housing 'costs more'

The latest edition of Sheller's magazine, *Roots*, discloses details of a confidential report prepared by the Housing Corporation which says that the "cultural differences" could raise "far-reaching effects on the future life and scale of activity of housing associations."

In particular, it says, the effects may be felt with regard to a

New watermark security may earn £2m. a year

BY DAVID FISHLICK, SCIENCE EDITOR

A DISCOVERY made in EMI's central research laboratories will be turned into new business in security systems worth £2m. a year inside another year, an executive forecast yesterday.

Mr. David Miller, director and general manager of Emidata, a new division of EMI Industrial Electronics, was introducing a range of high-security products, including use of magnetic watermarks.

The company believes that its magnetic watermarks are not only indecipherable, but will resist any attempt to copy, alter or counterfeit.

It has secured a Government contract to provide for one hundred thousand credit cards with magnetically watermarked identity cards. Their credentials will be verified with a handheld instrument called an Idem scanner, capable of establishing an identity in a matter of moments.

But the principle of what EMI calls security magnetics can be applied, it believes, to credit bank cards, passports, season airline tickets, banknotes—any social security payments.

U.S., Japanese funds dominate unit trusts

BY ERIC SHORT

In contrast to the U.K.-based funds, the leaders moved rapidly ahead during the month. The leader, M and G American Im-

roved by over 9 per cent, and a
at a time when the FT
Industrial Ordinary share index
il by 7.8 per cent, bringing it
to a 43 per cent. rise since
the beginning of the year.

The US Standard and Poor
composite index, a better
measure of performance than the
one Jones, has only risen by 1.

The M and G fund has achieved its result by eschewing the leading stocks found in the Dow Jones and concentrating on good quality second line companies. The next best performer, Newsum American, has shown an

even better growth in September, with a 10.5 per cent. advance bringing its increase over the year to 31 per cent. This fund is still small — only £12m. — and has actively dealt in the leading blue chip shares, being flexible enough to turn over the whole portfolio if required.

The worst performers so far this year include the mutual share funds and some financial trusts, including property funds. The Slater Walker Co. and General fund has moved

TOP PERFORMING UNIT TRUSTS			
(Offer-to-offer basis with net income reinvested)			
months	Gain %	1 year	Gain %
& G American	42.9	Henderson Far Eastern	37.1
& P US Growth	31.0	GT Japan & General	27.9
& G Japan	30.5	M & G Japan	24.4
Hambro Secs. of Amer.	29.5	S & P Japan Growth	27.9
ewar American Fund	29.0	M & G American	25.5
& P US Growth	26.3	Geacorn & Greiner	25.0
iller Walker N. Amer.	26.0	A-Hambro Secs. of Amer.	27.4
at Samuel Dollar	25.7	Grievenson Endeavour	27.5
Japan & General	25.2	Strat Walker N. Amer.	24.9
ardley Unit Far East	24.8	Bardley Unit Far East	24.8
CT-Asiatics All Share	12.2	FT-Asiatics All Share	3.1

years	Gain %
& G American	147.6
nderson Far Eastern	134.2
T Japan & General	119.4
& P Japan Growth	113.7
riveson Grutchester	112.6
& G Extra Yield	104.5
hartterhouse Intl.	106.5
hroder Wagg General	105.3
Mambro Recovery	105.2
hroder Wagg Income	104.3
re-Actuaries All Share	91.7

The manager still considers that there is plenty left in the market and expects a new peak early next year.

For many, ironically, the best K-bayed fund in the year 1991 was in equity fund but one of the best fixed-interest preferences was in the equity fund.

The U.S. funds, however, except for M and G, American have not shown an outstanding long-term growth. The U.K. bond funds are still showing a decrease of over 100 per cent over a two year period — a poor performance in excess of the 55

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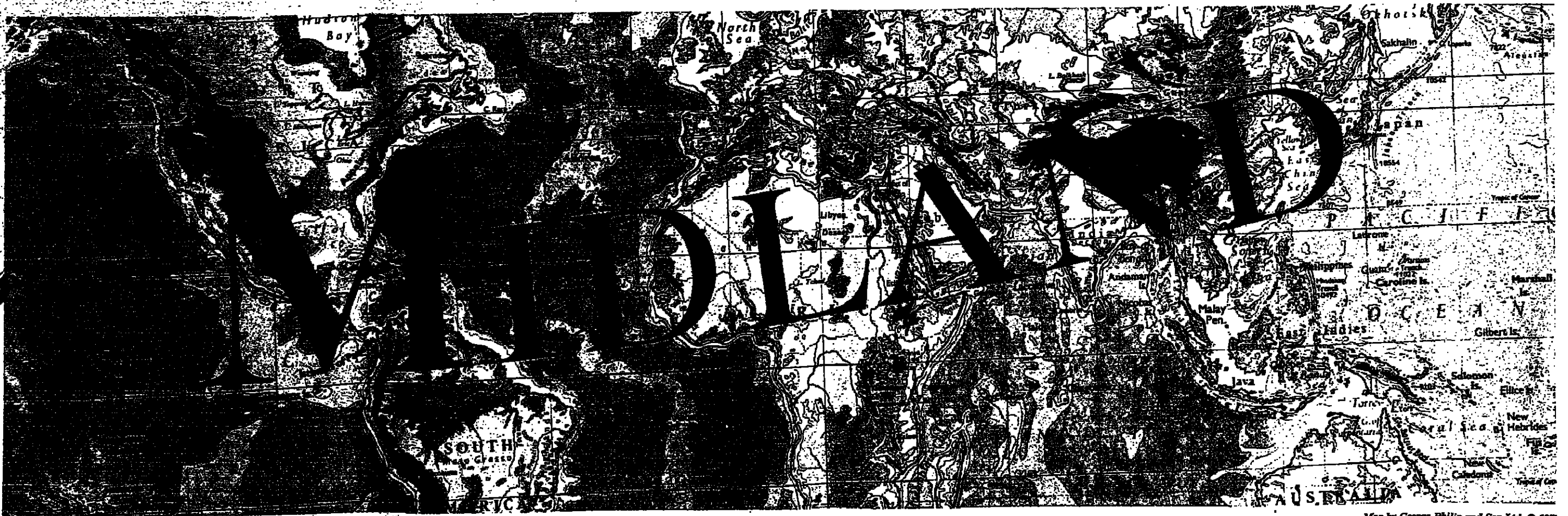
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Map by George Philip and Son Ltd, © 1971

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HOME NEWS

Cromarty leaps to defence of Nigg refinery plan

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE CONTROVERSY over the plan by the U.S. owned Cromarty Petroleum to build a refinery at Nigg in the Scottish Highlands was taken a stage further yesterday when the company hit back at suggestions that there is already over-capacity in British oil refining.

Some major oil companies have made no secret of their hostility to the scheme, and BP has said it believes the building of a new refinery anywhere in Western Europe within the next 15 years would be "a gross waste of resources."

Cromarty's rejoinder comes in a newsletter to be published at the end of the week in Highland newspapers. However it is clearly intended also to answer some of the criticisms of the company and the project made in Parliament. Attempts to block the refinery scheme are likely to be resumed by MPs when the Commons re-assembles next week.

The newsletter, signed by three American directors of Cromarty, says that actual refinery capacity in Britain is about 130m. tons a year, rather than the 150m. to 160m. generally given as the figure. This is because of operating losses and time spent on maintenance and repairs.

On the other hand, domestic demand, which has fallen to 81.5m. tons a year, will rise to 100m. tons a year by 1980, Cromarty predicts.

The Department of Energy has included the Nigg project in its calculation of future refining needs, the newsletter

says, and it wants as much North Sea crude as possible refined in Britain to reduce imports of petrol and naphtha.

"The Cromarty refinery will be completed and come into operation in 1980-81. At that time, Britain's role in the oil world will have changed entirely from being only a consuming country to becoming a large producer of oil, and, moreover, a producer who can and should maximise the value of its oil by exporting, not only crude oil but refined products as well in quantity."

British Cromarty says that since the plan was first proposed it has modified its intention to draw half its crude oil from the North Sea and half from the Middle East, and will now be taking practically all its crude from British wells.

"The refinery will be export orientated. Our markets will still be Northern Europe and the United States, but some products will be sold into the U.K., particularly those which will remove the need for expensive imports which would otherwise be an additional drain on Britain's balance of payments."

The newsletter says that the present estimate of the cost of the refinery is £180m., of which £60m. would be labour costs and a further £80m. spent in Scotland on equipment and materials. When the plant is working, operating costs will be £11m. a

year, not counting rates and taxes.

Cromarty added yesterday that it intended to raise finance from a consortium of U.K. and European banks, preferably led by Scottish banking interests. The majority of those funds would be likely to be in Eurodollars. The company is already committed to put \$62.5m. of its parent company's money into the project, representing about 20 per cent. of the cost at present exchange rates. The Government would be committed to putting up another 20 per cent. in development grants.

The company also denied that it had bought land at Nigg from Mr. John Robertson, a local councillor. In fact Mr. Robertson, sold land to Grampian Chemicals, which was planning a previous project on the site, in 1968 before he was a member of the local authority. The land was sold in turn by Grampian to the Cromarty Fifth Development Company, now in liquidation, which sold it to Cromarty Petroleum.

Opposition by MPs has been focused on a Private Bill giving Cromarty power to purchase compulsorily 47 acres of foreshore at Nigg from Mr. Michael Nightingale, chairman of Anglo-Indonesian Plantations, and one of the objectors to the project at the public inquiry.

The company says it rejected a 99-year lease on the land from Mr. Nightingale because conditions he wanted to attach to it could obstruct the scheme and bring the company into conflict with the local planning authority.

Summer fires cost councils extra £2½m.

By Stuart Alexander

FIRES during the long dry summer may cost county councils an extra £2½m. to £3m., according to figures released yesterday by the Association of County Councils.

The 47 non-metropolitan authorities will have to find the money either from savings in the coming year or, where that is not possible, from a contingency fund. Water rates will not be affected as these are levied by the water authorities.

Although the figures are being brought to the attention of the Home Office, Mr. Martin Brannan, chairman of the association's fire and emergency planning committee, said he thought there would be no help from the Government through additional rate support grant.

Returns already submitted show extra spending of £2.13m. with Devon providing an extra £187,000, Derbyshire and Hampshire £125,000 each, Essex £124,500 and Cornwall £120,000.

The main expense has been on staff. Many of the firemen, particularly in rural areas, are part-timers who receive an average retainer of £285 a year and a turnover payment of £2.28 plus £1.05 an hour for each hour after the first.

"The expenditure has got to be looked at in terms of a total of £12bn. a year spent by county councils so it is really a drop in the ocean," said Mr. Brannan. "But it has to be found."

According to the latest figures, the levels of all main reservoirs serving Devon and Cornwall have risen dramatically.

TV rental profits 'three times more than average for industry'

BY MAX WILKINSON, INDUSTRIAL STAFF

THE PROFITABILITY of TV rental companies is three times greater than the average for British industry, according to a Price Commission report published yesterday.

The companies have not infringed the Price Code, and the high level of profits has been maintained by expansion into the colour TV market, stable prices of sets, and better reliability, the report says.

It strongly suggests, however, that more of the profits should have been passed on to the consumer. The rental companies' exploitation of the investment relief clause of the Prices Code was hard to justify.

More than £1bn. has now been invested in TV sets for hire, and the trade's turnover exceeds £500m. a year.

For the five major companies which together account for two-thirds of the business, return on capital increased from 18.5 per cent. in 1972 to 19.4 per cent. in 1975 with a peak of nearly 24 per cent. in 1973.

Net profit margins rose from 13.3 per cent. in 1971 to 16.5 per cent. in 1976.

Development

Those levels compare with the present average for industry of about 5½ per cent. In cash terms, the rental companies increased profits threefold from £20m. to £60m. between 1971 and 1976.

At the same time, most of their capital development, predominantly the buying of new sets for hire, was financed out of current income.

The TV rental business was referred to the commission last year as a result of complaints about sharply increased charges.

The commission found, however, that many consumers had been confused between increases in hire charges and rises in Value Added Tax which the companies were entitled to pass on.

It was unfortunate that the increased costs and the higher VAT should have been concentrated in a short time, it adds.

The report also finds that companies passed on the benefits to their customers when VAT was reduced to 8 per cent, but sometimes the reduction in VAT was simply cancelled out with increases from other causes. "It may have been administratively convenient but it showed an insensitivity to public reaction."

The monthly cost of hiring a black-and-white set rose 51 per cent. between 1970 and 1976, from £3.30 to £5.47. Colour set rentals rose from £7.02 to £8.87, or 26 per cent, in the same period.

Switch to colour But excluding VAT, the hire charges for colour sets have been remarkably stable, rising only 1 per cent. in the six years.

Rises in the cost of hiring colour sets (excluding VAT) went up by 22 per cent. but in spite of the increase, they are much less profitable than colour.

The report found that 97 per cent. of households now have television. It is estimated that 22m. sets are in use, 43 per cent. of them colour. This compares with only 4 per cent. in 1970.

About half of these sets are rented, and about 60 per cent. of rented sets are colour.

The switch to colour TV has thus given a major boost to the rental companies. The trend is expected to continue for another five years, when 80 per cent. of households will have colour TV.

From then on, the rental business is expected to stabilise, but paradoxically the commission estimates, profits may continue to increase even when business is static.

This is because companies will then own a large stock of colour TVs whose capital cost has been written off over a six-year period.

Many of these sets will still be serviceable, however, and still available for hire even though maintenance costs may be higher.

Preference The report shows an increasing preference for smaller TV sets in colour and black and white. Three-quarters of monochrome sets are 17 inch or smaller most of them portable.

In the colour market, 80 per cent. of sets are now 22 inches

AVERAGE MONTHLY RENTAL CHARGES (including VAT)

TO NEW SUBSCRIBERS 1970-76:

Date	22" COLOUR SET		Multiple non-specialists		Independent retailers	
	£	Index	£	Index	£	Index
31 Mar. 70	7.02	100.0	7.10	100.0	7.21	100.0
31 Mar. 71	7.08	100.9	7.10	100.0	7.29	101.1
31 Mar. 72	6.97	99.3	6.89	97.0	7.24	100.4
31 Mar. 73	7.04	100.3	6.99	98.5	7.28	101.0
31 Mar. 74	7.10	101.1	7.21	101.5	7.48	103.5
31 Mar. 75	7.28	103.7	7.49	105.5	7.78	106.5
30 June 75	8.46	120.5	8.80	121.1	8.79	121.9
30 Sept. 75	8.59	122.4	8.81	121.3	8.83	122.5
30 Sept. 75	8.81	125.5	8.80	121.1	8.90	123.4
31 Dec. 75	8.87	126.4	8.80	121.1	8.91	123.6
13 Feb. 76						

Source: Price Commission

or smaller compared with only 74 per cent. five years ago. The other movement, towards colour sets, has been highly important for the companies. "On average, a monochrome set has contributed progressively less each year to profit."

"In the last year studied, a monochrome set contributed little if anything; it served mainly to recover a share of fixed costs."

Extra benefit

"This would not support the view that recent increases in charges have been loaded against monochrome hire, despite the fact that monochrome rentals rose by 50 per cent. between 1970 and 1976 compared with 26 per cent. for colour (including VAT)."

"There can be little doubt that the healthy profits enjoyed by large companies, has been achieved by their decisions to enter the rapidly expanding market of colour television."

The period allowed for writing off sets - four years for hire life for monochrome and six for colour - is crucial to the profitability, but it makes no comment on whether these figures are too low.

"There is an additional benefit to cash flow as a result of the unusually high ratio of capital expenditure (mainly 'on sale' vision sets) to income."

"This expenditure can for tax purposes be set off against profits, and entrants to this, as to other rental or hiring trades, have little difficulty in deferring their tax liabilities while expanding."

Television Rental Charges; Price Commission, SO, 60p.

Nation given earl's home

DUNHAM, MASS., near Altrincham in Greater Manchester, home of the late Earl of Stamford, has been bequeathed to the National Trust.

The house, which is surrounded by 25 acres of deer park and another 3,000 acres, belonged to the Roger Grey, the tenth Earl, who died last month, aged 79.

Lady Jane Grey, the "nine days' queen" in 1553, came from the same family.

With the death of the tenth Earl, who was unmarried, the title has become extinct. The Trust said it had accepted the gift, subject to finance. A final decision would be made early next year.

Internal air fares to rise again

By Michael Domes

AEROSPACE Correspondent. FARES on U.K. internal routes will rise by between 10 per cent. and 12½ per cent. on November 1 - the fourth in the past two years.

The rises will make a Heathrow to Glasgow single fare, £28 against the present £24, while from the single rate, incorporating speed of discount, the cost of a round-trip ticket, will be £24 against the £20.

The London-Glasgow Shuttle stand-by single will rise from £14 to £18, current London-Glasgow return is £15 single, £28 return.

On the Belfast route, a single fare from Heathrow will rise from £26 to £27, while Gatwick discount fare will rise from £23 to £25.

Announcing these rises, the Civil Aviation Authority said that even with rises, domestic air routes will still be running at a loss.

But the CAA said that efforts over the past two years to make the domestic routes profitable, especially on the Glasgow and Edinburgh routes, had done much to create a new level of service.

The persistent profitability of the conventional routes from Gatwick to Glasgow, Edinburgh continued to be a concern, while the "problem business" remained in the hands of the low-cost airlines.

Even with the new rises, however, the airlines are uncertain about their future situation. When the new applications for the new routes are made, the CAA said, it was hoped that the new routes might have to be further increased to be effective next April 1, especially if current rises in oil continued through the winter.

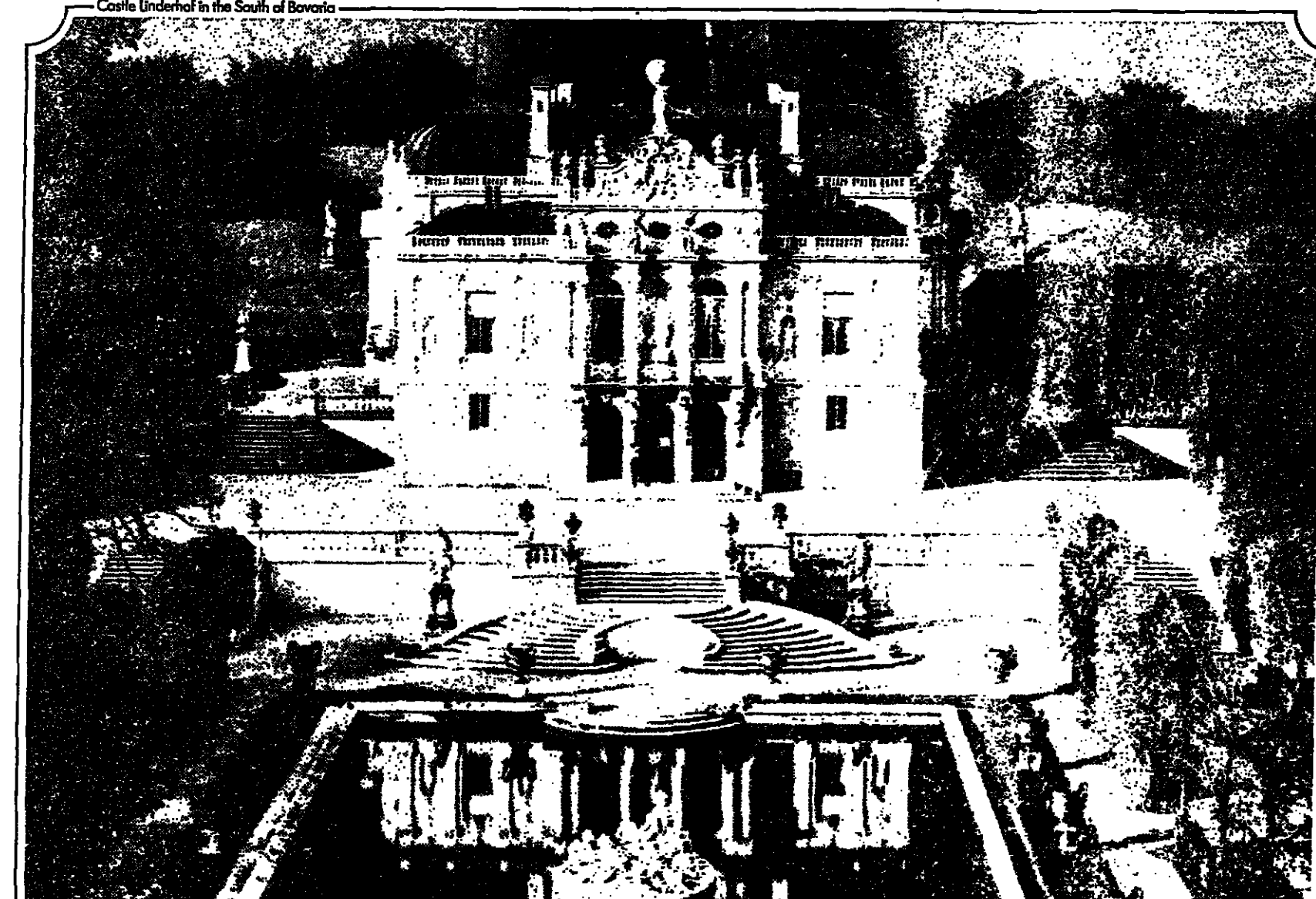
Defence deal helps Laird flight group

By Our Scottish Correspondent

THE FUTURE of Scotland's Laird Group, based at Prestwick, has been assured until well after nationalisation by a million pound contract from the Ministry of Defence to construct and modernise 25 Jetstream aircraft.

The decision, expected in letter to-day will end a year of uncertainty about SAL's continued existence as Scotland's only aircraft maker. It has been attributed to a campaign backed by local MPs to secure work after the RAF order completed.

About 900 men have lost their jobs over the past nine months and further lay-offs are inevitable unless the MOD contract is secured. So the company is applying for a temporary employment subsidy for 280 workers until the Jetstreams are constructed.



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NOTICE OF REDEMPTION To the Holders of American Brands Overseas, N.V.

8% Guaranteed Debentures Due 1981 Issued under Indenture dated as of November 15, 1969

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the above-mentioned Indenture, \$1,000,000 principal amount of the above described Debentures has been selected for redemption on November 15, 1976, through operation of the Sinking Fund, at 100% of the principal amount thereof, together with a true interest to said date, as follows:

DEBENTURES OF \$1,000 EACH																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
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RETAIL ANALYST

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COMPANY NOTICES

MINERALS AND RESOURCES
CORPORATION LIMITED
(Incorporated in Bermuda)

DECLARATION OF DIVIDEND No. 78

ON THE ORIGINAL SHARE

For the year ended 31st August 1976

The above dividend is payable to the registered shareholders of the company on 11th October 1976.

The dividend is payable in cash at the rate of 1.1951s per share.

ANGLO-AMERICAN COAL

OF SOUTH AFRICA LIMITED

(Incorporated in South Africa)

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Conservative Party Conference



Whitelaw backed on tighter immigration law

BY JOHN HUNT

THE CONSERVATIVE leadership managed to jump the difficult hurdle of immigration last night when delegates almost unanimously approved a resolution which Mr. William Whitelaw, the deputy leader, said would work towards the ending of immigration on the scale that we had known since the war.

After a restrained debate, the conference approved the motion saying that there should be no more immigration except of the close and proven dependants of immigrants already in this country. In addition it emphasised that all efforts must be made to ensure that the immigrants already here are equal and welcome members of our society.

Register

Although Mr. Whitelaw, who is also the shadow Home Secretary, endorsed the "no further immigration" clause, it was noticeable that the actual policy which he put forward for the party did not go as far as this.

His proposals entail the setting up of a register of immigrant dependants. If this revealed that there were too many waiting to come in then they would have to be admitted on a quota system.

A Conservative Government would also carry out an urgent

review to introduce a clear law of U.K. nationality. This would mean that Asian and African holders of British passports would have to prove a close and real relationship with Britain and its people if they were to be admitted.

During the debate there was ample evidence of the deep divisions among the rank and file in their attitude towards Mr. Enoch Powell, the former Tory MP for Wolverhampton SW, who on Monday called for a large-scale programme of repatriation of immigrants.

Mr. Whitelaw firmly ruled out this option in the debate yesterday evening. Some speakers attacked Mr. Powell while others called for him to be reinstated in the Party. Both points of view were loudly cheered.

Mr. Whitelaw told delegates: "I don't believe we have any hope of promoting the sort of society we want unless we are prepared to follow a policy clearly designed to work towards the ending of immigration in this country and we have to have the policy designed to do so."

Howe pledges 'iron resolve' in cutting expenditure

SIR GEOFFREY HOWE, shadow Chancellor, yesterday pledged that a future Conservative Government would set about cutting government spending with "an iron resolve."

In a keynote speech to conference, he said that only defence, the police, and help for the needy would escape the axe. Sir Geoffrey, replying to a debate on economic policy and taxation, outlined a Tory policy of less government expenditure, lower taxes, and strict controls on the money supply.

Pay restraint, he said, was essential. It helped control the size of public spending and secured the recovery of profits on which jobs depended.

But a policy for incomes was only effective so far as people could be persuaded to accept it as desirable. "It will be the purpose of all our policies to ensure that people understand and accept the desirability in their own interests of restraint without the provocation of complicated institutions."

A Conservative Government would offer union members the prospect of jobs. "It is only a government that will relish the success of private enterprise that can offer that," he said.

Sir Geoffrey said the Tories would offer the prospect of firm progress towards stable prices and better take-home pay. "We shall, because we must, set about the reduction of Government spending with an iron resolve without that no government will succeed in stopping inflation and restoring jobs."

The question was not what should be cut, but what the country could afford. To loud applause, Sir Geoffrey said the country could not afford more pay for less work. It could not afford high tax rates and loose social security regulations.

Search for right posture

BY PHILIP RAWSTORNE

"We are not a party of extremism," Lord Thorneycroft, the Conservative Party chairman, declared decisively yesterday.

"Keep your head just above the general level of the audience in the middle," the conference handbook advised in support. "Make good use of pauses... there is no need to shout."

After Labour's public display last week, the Tories were intent yesterday on striking the right posture: a blend of urgency, realism and discipline.

"The picture of a party

poised for victory," Lord Thorneycroft approvingly commented from the stage. "The mirror image of the millions who vote for us."

And the contrast with the scenes at Blackpool were certainly vivid if still shadowed here and there by vague uncertainty.

The prospect of a general election is clearly fast restoring unity and reviving Tory confidence. Only the frequent calls to each other for courage yesterday betrayed some lingering lack of conviction.

"We are the national party," Lord Thorneycroft constantly



Sir Geoffrey Howe said that a Conservative Government would stick to clear targets for control of the money supply.

Labour Party, the dwindling band of people who tell us now, as though they had just discovered it, that we cannot go on living beyond our means nor on borrowed money.

But even they show no signs of being able to practise what they preach. Mr. Healey has let that be our purpose from this day on.

Mr. John Butcher, prospective candidate for Coventry SW, said the social contract was a "confidence trick."

He added: "This conference should congratulate the members of the trade union movement for

playing their part via the incomes policy. They have made the sacrifice and reduced their standard of living, but there has been a sense of tragedy about the whole thing because the Government has not played its part despite the efforts of working people."

"We still have a 14 per cent rate of inflation and a Mickey Mouse currency. In other words, this Government has taken the trade union movement for a ride and the working people have to pay the price."

Mr. Peter Lilley (Bottolph Claydon) supported the amendment and proposed a disciplined monetary policy, relaxation of price and dividend controls and a reduction in the burden of taxation.

Mr. Stephen Waddington of Streetford, opposing public spending cuts, said it was difficult to identify areas of waste and eliminate them.

"Inevitably, this party will fall back on the kind of public expenditure cuts that this Government has introduced. The majority of these cuts are in fact positively harmful."

Mr. Tony Marlow of Northampton North, said the Tory special contract, unlike Labour's, was with the people, not with the working man and not his union.

Mr. Stuart Lindsay of Bebbington, claimed that the unemployment had been reduced and by the Labour Party and TUC. "It was economic collapse which killed the Weimar Republic. It broke the backs of the working class and it killed the economy."

No talks with IRA, says Neave

By Justin Long

THE TORY conference yesterday applauded a pledge from the party leadership, stressing its determination to oppose any negotiations with the IRA.

"We shall continue to criticise the Government's security policy until the terrorists and murderers are behind bars," declared Mr. Aubrey Neave, Opposition spokesman on N. Ireland affairs, replying to a debate on these issues.

The conference unanimously carried a motion amended to affirm support for retaining British troops in N. Ireland until a peaceful solution made their presence no longer necessary.

The main motion to which the amendment was added, condemned "the indefinite presence of British troops must

not be regarded as a solution to the N. Ireland problem."

Sponsor of this motion, Dr. Derek Palmer (Lewes), assured party representatives crowded in the hall that his resolution was not asking for the removal of troops before a peaceful agreement was reached.

But interruptions from his audience and a number of other speakers made it clear they wanted the Party's intentions more firmly expressed.

Mr. Neave expressed his own support of the amendment and proposed a disciplined monetary policy, relaxation of price and dividend controls and a reduction in the burden of taxation.

Nothing had done more to reinforce the terrorists and keep them politically credible than talks the Government had held with representatives of the IRA.

Mr. Neave maintained

odds shorten on Tory win

BACKING FOR the Conservative Party to win the next election, including one set of £6,000 working man and his union from a Birmingham client at odds of 4 to 1—was reported by Ladbrokes, the bookmakers, yesterday.

As a result, odds on a Tory victory shortened to 13 to 8 on the eve of the election taking place this year.

LAST YEAR, WE SPENT OVER \$ 116,000,000 ON RESEARCH AND DEVELOPMENT. IT'S HARD TO SEE WHAT WE GOT FOR IT.



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The Ericsson Group specializes in the design, manufacture and installation of telecommunications systems. Including public and private telephone exchanges, telephones, transmission, cable and network products, intercom, radio and data communication systems, equipment. For details, write or call: The Ericsson Group, World Headquarters, S-126 25 Stockholm, Sweden or Thorn-Ericsson, Viking House, Horsham, Sussex, England.



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Thorneycroft launches major campaign to seize marginals

BY JOHN HUNT

STRONG WARNING that a general election may be imminent was given by Lord Thorneycroft, the party chairman, in a pugnacious, morale-boosting speech on the state of the party organisation.

"It is perhaps later than you think this election could come and it could come quite quickly," said Lord Thorneycroft.

Underlining the need for the party to be ready at any time, Lord Thorneycroft announced a major campaign in the marginal seats this autumn with a record number of speaking engagements for members of the party front bench. A total of 100 days have been allocated to the campaign in the marginals with 370 individual engagements for members of the shadow cabinet.

In addition, a series of regional conferences will be held for candidates, chairmen and agents from the marginal seats.

"Top priority must be given to these marginal seats—seats which we must win if we are to secure a majority," the party chairman emphasised.

The Government was now in full retreat with its economic policy in disarray, he said. The Tories, on the other hand, were advancing on all fronts and were presenting the only alternative to the Marxist Socialist policies being advanced by Labour.

"We are not a party of the extreme Right, indeed, we are not a party of extremism at all. We are a national party and all are welcome to join," he added.

Lord Thorneycroft said the Labour Party had to be ready to take over the Government of this country had been exploded at the Blackpool conference. But Tory Party workers should not underestimate the gravity of the situation that would confront a Conservative Government. The pound was sagging despite foreign loans and in these circumstances the nation might be hard-pressed to afford vital food and raw materials.

The Conservatives, Lord Thorneycroft argued, had to conduct themselves as a truly national party embracing the millions—including shop-floor workers—who were sick of Marxist Socialist policies.

The first struggle, he said, would be at the by-elections in Cambridge, Walsall and Workington followed by the county council elections next year.

As part of the conservative national membership campaign, the party had to link up with trade unions, local authorities, the many ad hoc local committees plus the 25m. new young voters about to come on the register.

"The mood of this country is changing. Ever more people—entrepreneurs, the self-employed, small businessmen, immigrant groups—are looking towards the Conservatives to give the lead that they require," he stated.

Sir Keith Joseph also prophesied an early election. "I think the Government is going to be in great difficulty with the IMF loan and the conditions that are bound to be attached to it," he said in a BBC radio interview.

He added: "It will be frittered away unless they change their policy and we will be back in dead trouble again in a few months. So I cannot see the present situation continuing very long."

MP backs school vouchers system

A SYSTEM of education vouchers would be the biggest job of denationalisation a Conservative Government could undertake, Dr. Rhodes Boyson, Tory MP for North Brent, said yesterday.

It would be a move towards a free society and away from the totalitarian state to which the country was heading, he added.

Dr. Boyson was speaking at a conference fringe meeting organised by Fever, Friends of the Education Voucher Experiment in Representative Regions.

The voucher system basically involved giving each parent a voucher equal to the cost of educating a child in the State system. It could be cashed at the school of the parents' choice.

Dr. Boyson declared: "It means freeing people to live their own lives."

The advantage of the voucher system was that it would get rid of the worst schools. Good teachers had nothing to fear from the system, and those who were against it were not confident of their teaching ability, he said.

To-day's debates

CONFERENCE debates to-day are:

Employment and industrial relations; Party policy and public relations; European Community; Local government and its finance; and Law and order.

Fringe meetings include:

Shelter. Sale of council houses. Hugh Rossi MP, and Mr. Stuart Wilson.

Bow Group. Sir Keith Joseph on industry.

Tory Reform Group. Mr. Peter Walker MP.

Monday Club meeting on Northern Ireland. Mr. Airey Neave MP and Mr. James Moynihan MP.

How to reach the financial centre of the World.

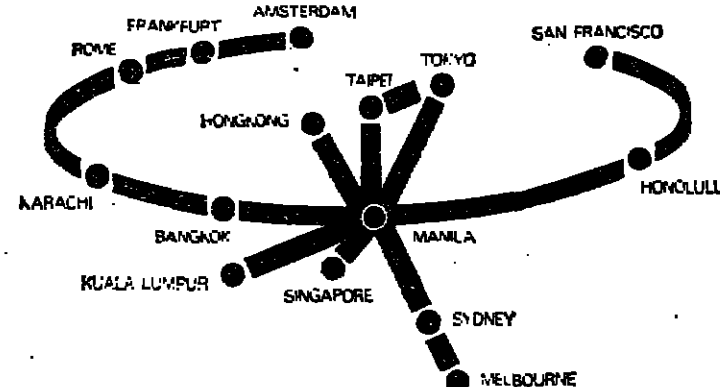
This year's meeting of the International Monetary Fund is currently being held in the Philippines. So for this week, at least, Manila can claim to be the financial centre of the World.

But even when the bankers have departed there'll still be plenty of business activity in Manila. For the Philippines is one of the fastest growing economies in the Far East.

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Lord Thorneycroft called on the party to be ready for an election at any time.

Militants fail to gain tougher schools policy

BY JUSTIN LONG

THE FIRST clash at the conference saw indignant delegates demand a ballot yesterday in the hope of strengthening party policy on education.

But the main motion, calling for the immediate introduction of minimum standards of literacy and numeracy, was carried by a majority of 199 (1,101-902).

Merely to ask for minimum standards was too bland and too insufficiently militant, declared one of the critics, and Mr. Colin Grantham, leader of the Tameside Tory Council, which thwarted Socialist comprehensive plans, was loudly applauded when he came as a chief militant to the rostrum.

But Mr. St. John Stevas, shadow Education Minister, urged conference to accept the motion because, basically, "it spelt out party policy."

As well as urging the immediate introduction of minimum educational standards, the motion also welcomed state-

ments by Conservative spokesmen on the safeguarding of direct grant schools. But it reminded the party that only a small percentage of the nation's children could attend such schools.

Mr. Stevas said he could have improved the wording of the motion if he had been asked to draft it himself. But the debate, he considered, showed that the differences in the arguments had not been about "ends."

They had been about "means." He acknowledged that there were various views within the party as to the means of achieving high standards.

He renewed the party's pledge that one of the first acts of the next Tory Government would be to repeal the Education Bill now going through Parliament. This Bill, to make comprehensive education compulsory, would destroy the careful balance of the Butler Act, said Mr. Stevas.

He contended that if it reached the Statute Book a giant step would be taken towards the long-

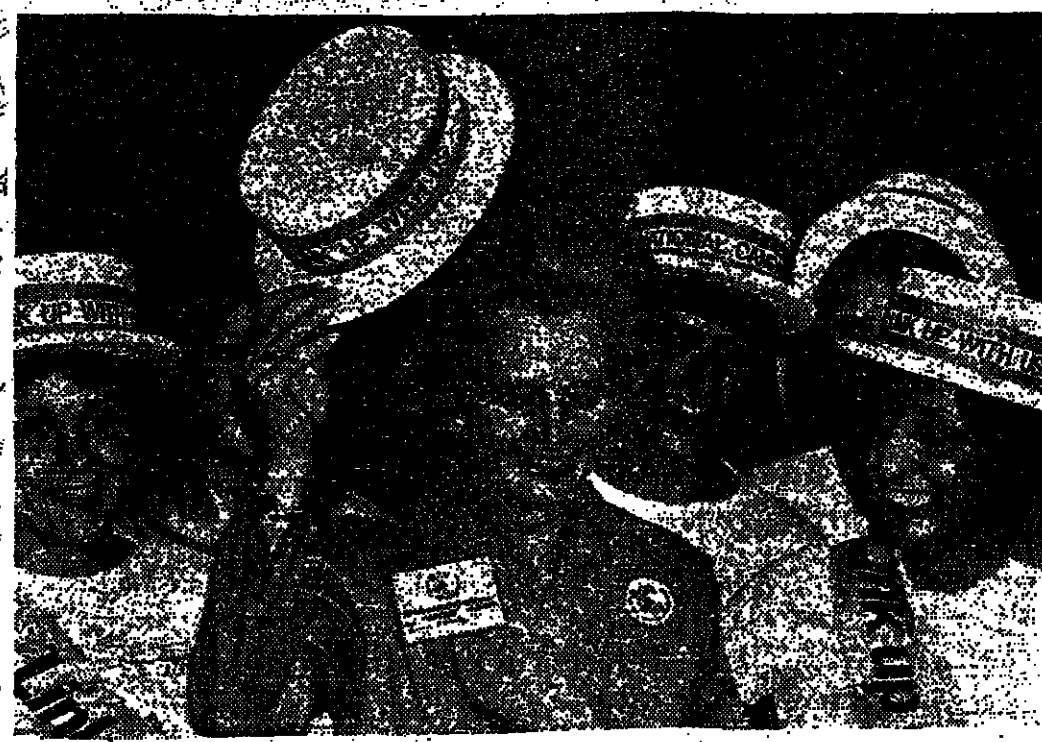
term aim of Socialism—a State-centred and State-dominated educational system which would be wide open to manipulation for political purposes.

"Let a message go out from this conference to the House of Lords this afternoon, and it is this: To stand firm in the light of the intimidation and the pressure that is being brought to bear and remove the most objectionable features of this unwanted Bill," said Mr. Stevas.

He urged peers, in their amendments of the Bill, to safeguard the independence of local authorities and the voluntary schools.

He condemned the Socialist Government for "indifference" to educational standards, and called for a "return to the welfare of children. Ministers were deaf to the wishes of parents and local authorities and had pursued the Government's goal of imposing comprehensive schools everywhere—not for educational, but for ideological reasons, declared Mr. Stevas.

He contended that if it reached the Statute Book a giant step would be taken towards the long-



Mrs. Thatcher acknowledges her welcome by Young Conservatives at the conference yesterday.

Protest over schools 'dictatorship'

A PETITION, 30 feet long, symbolising a coffin was being presented to Mr. Norman St. John Stevas, shadow Education Secretary, in Brighton yesterday.

The move was part of a campaign by Young Tories at Wraybury, near Staines, against so-called educational dictatorship.

Mr. Hugh Simmonds, president, and prospective Parliamentary candidate for Leeds West, said:

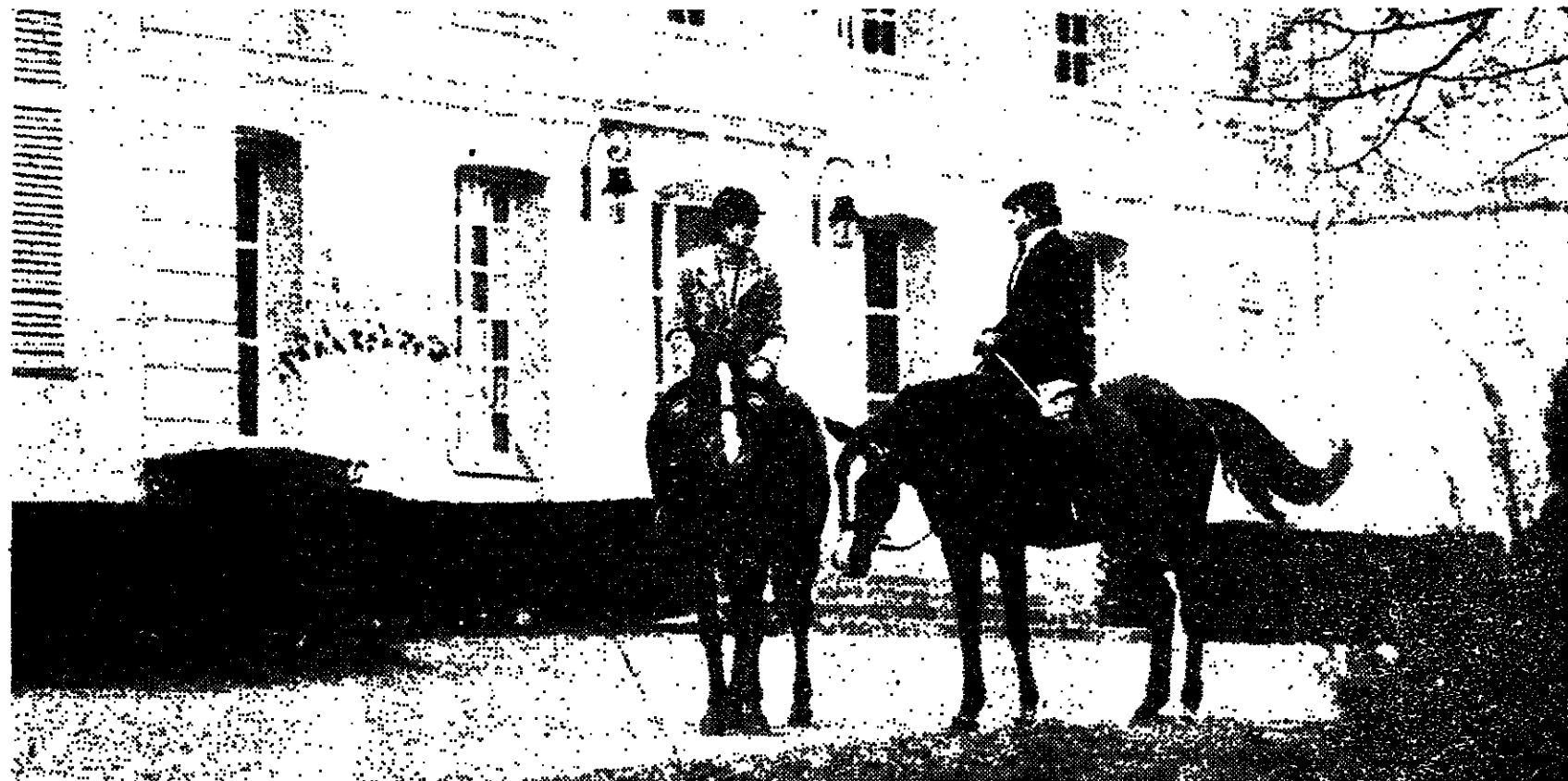
"We maintain that parents are the best judges of their children's education and that Government has no need to disrupt Britain's schools for political purposes."

"The symbol of the coffin represents the fate of many excellent schools which will be lost if the 1976 Education Bill becomes law."

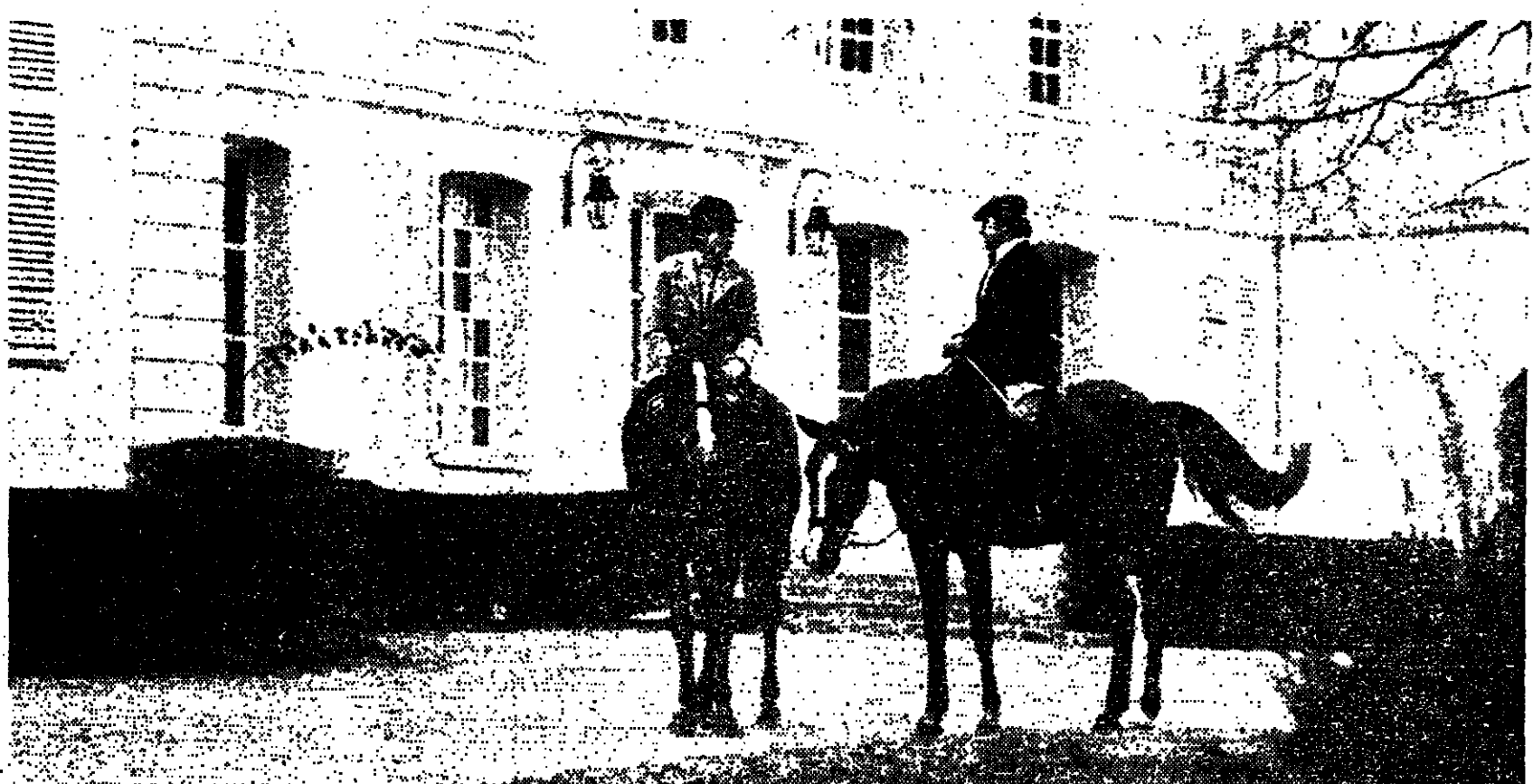
Mr. Simmonds added: "We

want to remind the shadow Cabinet and the Government of the depth of feeling against the abolition of selection and enforcement of the comprehensive system in areas where this is not wanted."

"We urge the Opposition to renew the public outcry against these plans and the Government to reconsider them as they are unnecessary and over-expensive in the present financial crisis."



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LABOUR NEWS

ACAS draft code outlines cases for union time-off

BY ALAN PIKE, LABOUR STAFF

EXAMPLES OF cases when companies should grant employees time off for union activities, are outlined by the Advisory, Conciliation and Arbitration Service in a draft code of practice published yesterday.

ACAS says lay-off officials should be given paid time off during working hours for such purposes as: collective bargaining, meetings with members to report on negotiations, meeting with other union officials to discuss industrial relations matters, interviews on grievance and discipline issues, appearing before outside bodies on industrial relations matters, and explaining the union's role in the workplace to new employees.

But ACAS adopts a more open position on the question of how much time off should be allowed and largely leaves the issue to

be resolved between individual unions and employers. "An official should be permitted to take paid time off during working hours for the amount of time necessary to complete his or her duties in an effective and responsible manner," the draft code says.

"Difficulties over the amount of time off officials should be able to have can be avoided by prior agreement between the unions and the employer concerned."

In line with the Employment Protection Act, the draft code says that ordinary union members, as well as officials, need time off to take part in union affairs.

Elections They should be given time off in working hours to vote in union elections and, there may also be times when unions wish

to hold meetings during work-time.

In these cases, there should be agreement between management and unions on a mutually convenient time which minimised effects on production.

Under the Employment Protection Act, employers are required to grant union lay-representatives reasonable time off to carry out duties and undergo training.

Companies are also under an obligation to allow other members of recognised, independent unions time off to take part in union activities. Complaints that an employer is not conforming can be made to by an industrial tribunal.

The draft ACAS code will, after possible amendment, be sent to the Employment Secretary for approval and laying before Parliament. It is intended that such codes should form practical guidance in promoting improved industrial relations.

To avoid "difficult and invidious distinctions" between time off for industrial relations duties—which legally entitled an official to payment for working time lost—and trade union activities, the draft code suggests that management and unions should negotiate about time off for "business of a dual nature."

By joint agreement, it adds, management may wish to place certain officials on work where "their temporary absence will not cause serious delay to work-flows, output or services."

Lay-off pay leads to disruption, Ford claims

By Our Labour Staff

FORD workers were told yesterday that if the company continued paying wages during stoppages it would give a "licence for disruption" to employees whose objectives were "not to secure continuity of production."

The warning was given in a letter to employees from Mr. P. L. Staley, manager of the Dagenham stamping and body plant, on the eve of a mass meeting by 1,000 night shift workers who are on strike demanding lay-off pay.

Irresponsible "We are not in the lay-off business—we want to build cars for all on every shift," said Mr. Staley. "But we are not prepared to allow the actions of irresponsible groups to force us out of business."

He urged workers to eliminate lay-offs by "eliminating unpredictable strike action by small groups of employees."

Talks between management and local union officials on the three disputes which have halted production of the new Ford Cortina IV at Dagenham began yesterday. In addition to the night shift stoppage over lay-offs the company is faced with action by door hangers which caused the lay-offs, and a strike by welders over grading.

Talks on new safety laws 'failure'

BY DAVID CHURCHILL, LABOUR STAFF

LEADERS OF major public service unions are to meet local Government chiefs to-morrow under the auspices of the Department of Environment to protest over failure to implement new health and safety legislation.

This follows claims by local authority associations that cost of implementing the Health and Safety at Work Act would cost up to £80m., the bulk coming from setting up the proposed safety committees. The authorities argue that the cost of allowing time off for workers to attend these committees, as well as extra administration is too excessive at a time when the Government is urging councils to cut expenditure.

The authorities are worried at the cost of bringing up to the standards laid down in the Act those of the 35,000 schools and 55,000 other workplaces, such as bus depots and refuse disposal plants, which do not comply with the Act.

Union leaders on the TUC local government committee—which has asked for the meeting with the local authorities—disagree with the estimated costs of implementing safety legislation. The unions feel that as they are mainly statutory provisions—the introduction of safety committees has to become law—the authorities must implement them despite the cost and general cut in spending.

● The emergency disputes committee of the National and Local Government Officers' Association yesterday sanctioned a work to rule and overtime ban by its members in west Norfolk who face redundancy because of cuts in local government spending. Advance notice of redundancy has been sent to nearly 400 white collar staff, with 33 firm redundancies planned in the architectural and engineering departments.

Employers owe £36,750

THE FIRST phase of the Wages Inspectorate's programme of saturation inspections found that over a third of Wages Council employers covered were paying below the statutory minimum wages or holiday pay.

A total of £36,720.45 was assessed as being owed by 350 employers in the eight towns in this first part of the Department of Employment's drive against low pay. Of the 4,678 employees whose wages were examined, 776 were being under-paid.

The programme of inspections was launched on September 13, in Blackpool, Burton-on-Trent, Cheltenham, Dundee, Luton, Wakefield and Sunderland. Newport was included the following week.

HOME NEWS

Carreras Rothmans may go into food

BY STUART ALEXANDER

CARRERAS ROTHMANS is considering following its tobacco U.K. and the whole industry in a move to diversify into food, by diversifying into force on January 1, 1978.

There has been considerable speculation over the sale of Oriol Foods, the distributor of Carreras Rothmans, which was bought by Mr. Gulliver in 1973 and sold ten months later to RCA. Since then RCA has decided to tidy up and streamline its composition.

The asking price for Oriol was believed to be about £25m., but there have been speculative reports that a lower figure may be accepted.

At the annual meeting last month, Sir David Nicholson, chairman of Rothmans International, said studies into diversification were being conducted. "In an orderly manner, frankly we are being cautious for we are well aware of the problems generated by diversifying to any significant degree."

It is known that this cautious attitude is continuing with no stake in frozen food wholesaling, and no stake in any other particular market or industry. Rothmans' management is reluctant to spread its talents, particularly at a time when exports of the products they know well are rising, there is a price war for \$2m.

Electricity pension funds make \$10m. loan

BY QUENTIN GUARDHAM

THE Electricity Supply Industry's pension schemes have made their first investment in U.S. property through a loan of about \$10m. to L'Eclat Plaza Properties. The company owns a 2m. sq. ft. office hotel and shopping complex in Washington.

Managers of the superannuation schemes, which have a property portfolio valued at \$250m., appointed Lander Associates as their advisers a year ago to look for U.S. property investments.

The L'Eclat Plaza deal is being financed by a bank-backed loan with U.S. domestic companies making any equivalent sterling investment in being probably the most active, so far, in buying.

The Electricity Supply Industry funds have already entered a further back-to-back loan with a U.S. group for \$10m. around \$2m. to facilitate further investments through their newly formed U.S. company Eastern Realty Investment Corporation.

Prospective buyer found for Maritime tanker

BY OUR SHIPPING CORRESPONDENT

A PROSPECTIVE Greek buyer with Maritime Fruit in the wake has been found for the Tyne of the Israeli-American company, the very large crude carrier built for the Swan Maritime consortium in which alling.

Swan Hunter's balance sheet, published in July, showed that the company was making a \$4.6m. provision against liabilities on an order for 13 tankers which has been cancelled by Swan Maritime. But the accounts showed that it had received full payment for the Tyne-Pride, which appears to indicate the sale proceeds will become involved in any final winding up of Swan Maritime.

This may eventually prove to be on the high side, and it seems unlikely that the final price will cover the vessel's building costs. Ten of these vessels—Swan Hunter, which holds the tankers and products carriers—balancing 25 per cent in Swan Maritime, is currently discussing products carriers are still under the joint company's dissolution construction.

Uranium Institute quizzed by senior U.S. official

BY DAVID FISHLOCK, SCIENCE EDITOR

A SENIOR U.S. anti-trust official. They included Rio Tinto-Zinc, from the Department of Justice which has major uranium subsidiaries in Canada, Australia and South Africa.

The London talks covered in detail the period of preparation for launching the institute, from November 1974 until June 1975, during which operations were conducted mainly from RTZ's London headquarters.

According to a Canadian Government statement last month, the institute's members included the 18 uranium producing companies which set up the institute in an attempt to forecast more accurately future trends in uranium supply and demand. The leading utilities of Britain, West Germany and France, and apparently had been meeting clandestinely to try to agree a floor price for uranium.

Fidelity Life ruling

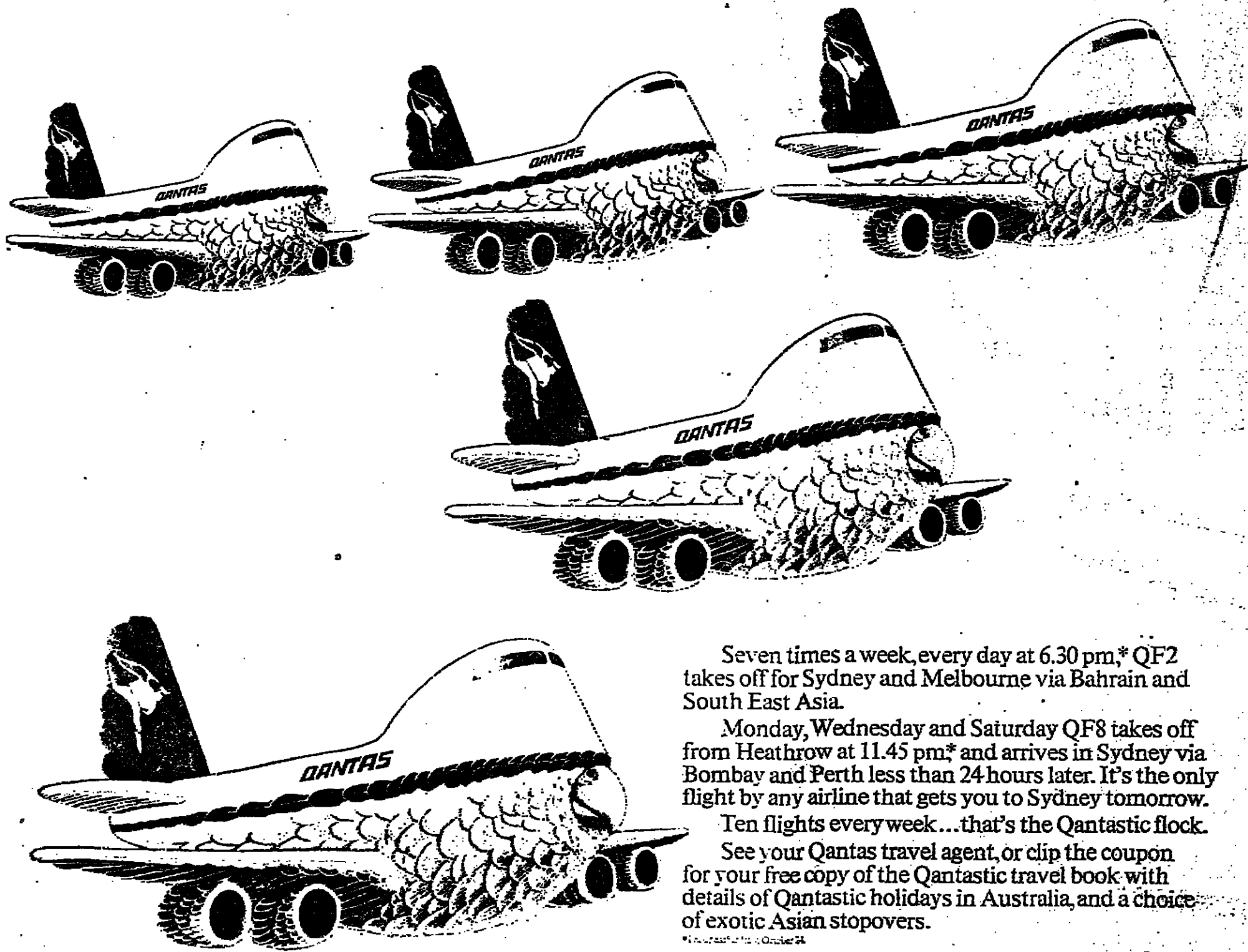
BY ERIC SHOR

THE Official Solicitor was directed yesterday by Mr. Justice Slade at the High Court hearing of the petition to wind-up Fidelity Life, which over the interests of policyholders in the proposed rescue scheme of the company.

The application for the liquidation of Fidelity Life was made on July 26 last year by the Secretary after the parent company, Fidelity Corporation of Richmond, Virginia, had refused to put up the necessary funds to keep the company solvent. The Policyholders' Protection Act after months of negotiation. A Board, under its guidance an rescue scheme has been drawn up. The scheme has been approved by the High Court. It would involve a 70 per cent reduction in the benefits payable to policyholders.

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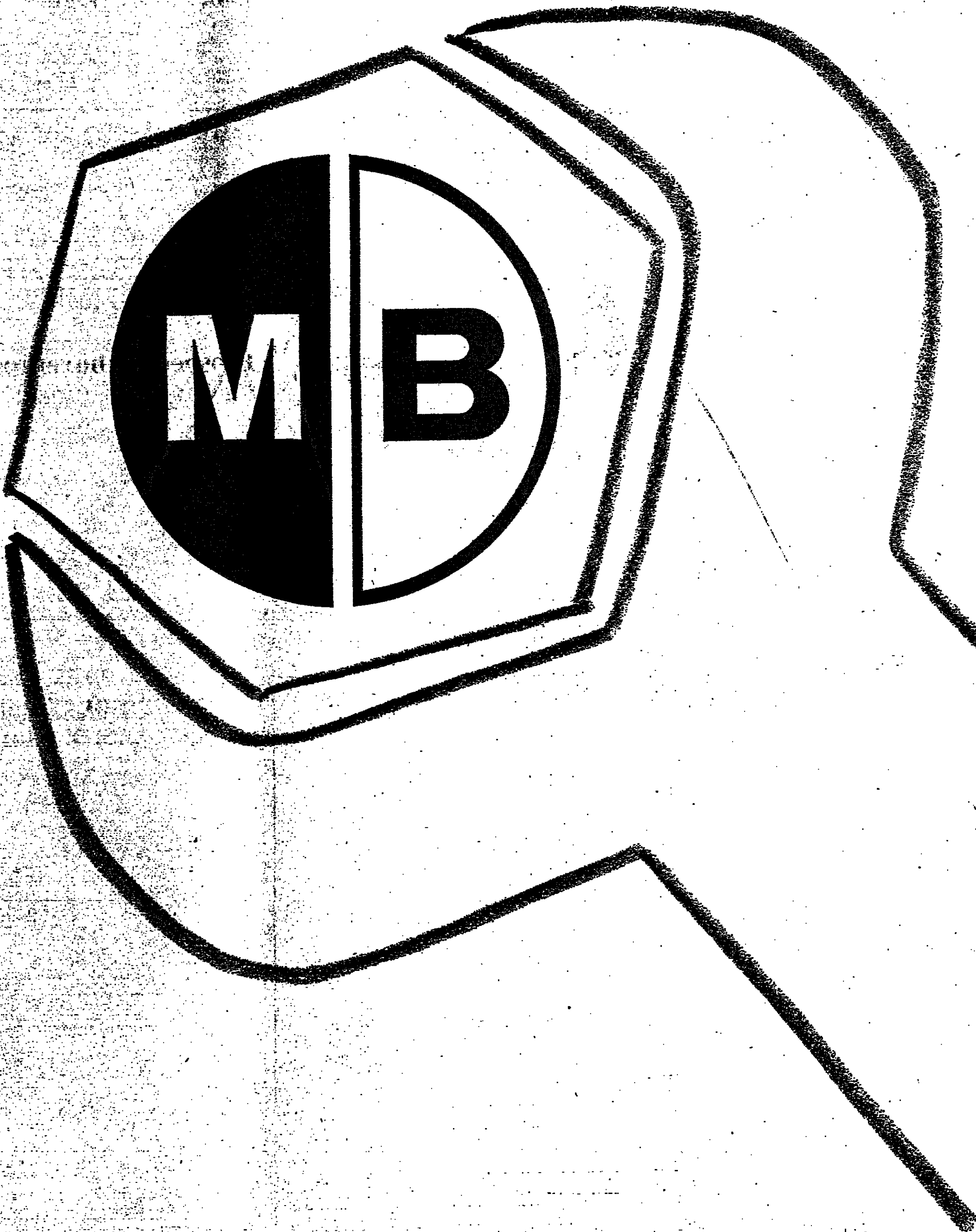
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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

PROCESSES

Consumption of water cut by jets

WATER JETTING using high pressure equipment can cut the quantity of water used to a fraction, resulting in a saving in water rates and also in time taken to complete the job.

The filter presses at a chemical works previously cleaned by a single jet of water operating at 500psi required 16,000 gallons of water during the operation. Using a high pressure unit supplying two water jetting guns at 4000psi, the amount of water used was cut to under a third.

Fourteen such filter presses are installed in the works and the introduction of high pressure water jetting has resulted in a great saving in both water and time.

The secret is that a jet of water travelling at anything up to 900 mph can remove the most tenacious of deposits without harm to the underlying surface.

Jetting high pressure pumps are available in sizes from 60 to 300 hp and operate at pressures up to 1000 bar. The equipment is supplied mounted on a bed-plate complete with drive motor. Specially designed standard kits convert these units into road trailers; alternatively they may be supplied mounted on trolleys for manoeuvring about factories or plants.

Another water saving attribute of the Hughes Jetting equipment is that the supply of water need not necessarily be fresh. Depending on the

Diamond to handle hard plastics

ELECTROPLATED diamond tools, driven by air-operated routers, are making a contribution to naval power.

To guide the air into the Olympus gas turbine marine engine, which forms the main propulsion unit in some of the world's latest warships, Rolls Royce uses an intake flare moulded in tough, abrasive, glass-reinforced plastic.

The precision moulding, hand laid up in one piece using epoxy resin and plain weave fabric, is subsequently fitted with 24 stainless steel spacers, placed radially around the upper part of the flare. To provide a seating for these components, rapidly and

economically. Specialised Mouldings, the flare manufacturers, machine-grooves using a built-on router tool electroplated with 45/60 U.S. mesh De Beers EMB natural diamond.

With the router tool rotating at 12,000 rpm, and guided by the profile of a purpose-made jig, each groove is machined in around 15 seconds and, in contrast to the high speed steel twist drills used in a further operation, the diamond tools continue to show no evidence of wear. In the tough GRP material, HSS twist drills are reported to have a life of some 10 holes.

Correct seating of the spacers is established by means of a special gauge/clamp and any discrepancy corrected by means of a second, square-shouldered diamond router tool which chases out any surplus material from the base of the groove. This same diamond tool also serves to remove excess material at the exits of conventionally drilled holes.

Industrial Diamond Information Bureau, Charters, Sunninghill, Ascot, Berks SL5 9PX, 0990 23455.

CONSTRUCTION

Aluminium seamless gutters

CHEAPER THAN cast iron and competitive with plastic rainwater goods, a system of aluminium seamless guttering and fittings has been developed in Canada by Alcan and Kenitex International.

Aluminised steel roofs

PROFILED STEEL building sections for roofing and wall cladding are now being made in aluminised steel sheet by European Profiles, Llanddud, Aberystwyth, Dyfed (0249 75591), an RTZ company.

The coated steel is made by the hot dip process by Coated Metals, Bretenham House, Lancaster Place, London, WC2 (01-636 0408), a C Walker and Sons company, at its Blackpool works.

Called AluSteel, the sheet has a coating thickness of about 38 microns on each side. It combines the physical properties of steel with the corrosion resist-

COMPONENTS

Drive has less tape wear

SIDE-BY-SIDE vacuum columns, air bearings and Trihalo-coated read-after-write heads are the main features of the Kennedy 9300 magnetic tape transport offered in the U.K. by Sinter Electronics of Reading.

AUTOMATION

Micro for control

BASED ON a microprocessor, the 8002 system put on the market by Nuclear Enterprises is intended for on-line measurement and control in the paper, plastics, rubber and metals industries.

Signals from plant transducers are read in, processed and interpreted and the machine is programmed to provide the type of control algorithm most appropriate to the process to be controlled. This can be equivalent to two or three term controllers, with or without dead time compensation, Smith

modelling and similar items. Permanent storage of programs and constants is in programmable read-only memory while control constants requiring occasional adjustments are stored in random access memory. The instruction set is easily programmed by the gauge specialist and needs no programming expertise.

Control outputs can be in any form suitable for adjusting either set points of existing controllers or for direct digital control. Options include colour CRT unit and recorders. More from Stirling, Edinburgh, EH11 4BY (031-443 4060).

Flying controls by DOWTY

Cheltenham, England

of more than one locomotive on a train. Normally this has meant the use of multi-wire cables and has only been possible if the locomotives are coupled together or all the intervening stock is equipped with the appropriate cable.

The developed system works over a single pair of wires and in fact enables the signals to be sent along existing train wiring.

It can do this because the multiplexed control signals are imposed on an FM carrier of about 150 kHz and so can be filtered from any existing currents on the wires. Some 64 channels can be accommodated and true division multiplexing is used.

The two companies expect other applications under similar conditions—for example, up towers cranes on new sites, in handling work and in boats.

Ripper Systems is at Cranfield Institute of Technology, Cranfield, Beds. MK3 0AL (0234 750123).

POLLUTION

Provides clean air

INCORPORATING A pre-filter, automatic drain valve and replaceable Deltech cartridge elements to eliminate oil vapour, moisture and dirt particles, an air-line purifier and regulator has been developed to provide a source of clean air from compressed air-line supplies.

The portable unit can be fitted to air lines to supply breathable air to workers' facemasks when carrying out asbestos demolition, for example. It can be used with pressures up to 150 psi, but not where the air supply is contaminated with toxic gases such as long by 2.9 in. diameter. Individual diameter, a compact light source for use underwater, including harsh marine conditions, has been put on the market by Tech-mation, 58 Edgware Way, Middx. HA8 6PY (01-855 5858).

The SQ series is completely moulded from a high temperature glass filled epoxy, including a screw base, has an average rated life of 500 hours. The unit is electrically shockproof for maximum diver safety; the operation is from the mains. The weight is 2 lb in air and about 1 lb in water.

By agreement between the Financial Times and the BBC, until information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

TEXTILES

Covering less likely to catch fire

CANDLEWICK is a type of pile fabric favoured particularly by hotel groups and other contract areas where its appeal is its long life, excellent appearance retention and extreme practicality.

Unfortunately, most candlewick is based on a lightweight cotton ground cloth into which is tufted a coarse-spun cotton yarn that "bursts" to give a fluffy pile that is the basic appeal of candlewick. Added together, these elements result in a highly inflammable construction.

New, fire-resistant tufted spread has been developed by Courtauld, in close collaboration with John Cockerill and Sons (Hollins Mill, Walsden, Nr. Todmorden, Lancs. OL14 6SP. Tel. 070 851 2183), and which comes well within the British Standard BS120 for flame-resistant fabrics.

Pile yarn used is spun by John Edward Crowther and is a woolen spun Darelle yarn. Darelle is a type of flame-resistant viscose rayon from Courtauld. This type of yarn has been feasible for some time, but for a spread to come within acceptance of BS120 it must be completely flame-resistant and self-extinguishing—and that includes the backing fabric.

One might expect an all-Darelle backing fabric to have been developed but as this fabric is only available in 4.5 denier the yarn fineness to which it can be spun is strictly limited. To solve this the Northern Spinning Division of Courtauld has developed a new type of yarn based on 50 per cent Darelle and 50 per cent Tecklan which is a special modacrylic flame-resistant fibre, but which is made in 2 denier form, so that yarns of 18-17s cc can be produced by incorporating this special fibre as a spinning aid.

This allows a suitably light primary backing fabric to be woven and which while being easily tufted are also inherently flame resistant.

In this development Courtauld has taken into account the special needs of the candlewick trade which demands a simple and short dyeing cycle of say 15-30 minutes, followed by a tumble dry to cause the pile to open.

The new construction comes within these requirements, but it also has a number of other interesting aspects. Because crimped fibre is used there is no pile fibre shedding in the early days of use, but a very interesting safety aspect is that spread made from this new fabric may be used in an emergency not merely as a fire blanket to smother flames, but also to wrap around the body and provide some degree of safety in a fire emergency. The fibre will not char and not melt-drip as do many synthetics.

Spreads will be more expensive than the cotton they seek to displace, but it is felt that the advantages they offer and an improved durability will act as effective sales factors in the trade.

Answers to program problems

A CLOSE LOOK at some of the papers presented to the recent Eurocomp conference on software systems engineering and computer performance evaluation indicates the changing nature of the worries of advanced software practitioners, many seeing not far removed from those of Mr. Alex d'Agapeyeff, Chairman CAP U.K., in his speech to the plenary session.

A number of papers are concerned with the problem of separation of software from the equipment on which it is run. The economic reasons for a change are well put in a paper by F. Quittner of the University Computing Centre in Budapest.

He argues that the so-called "charge-free" software delivered with computing systems is not in fact charge-free at all: what the software manufacturers provide now accounts for about half the charge the user will pay, whether purchase or rental. But this, he points out, is not the only software cost now involved.

On average, a quarter of in-house computing budgets are spent in producing software (whether by the internal staff or by outside software houses). Perhaps as startling, he estimates, that many are 70 to 90 per cent of the programmes written all over the world are functional duplicates.

The attempt to achieve what can best be called program independence: the attempt to create a program methodology applicable across the widest possible range of programs, features in many papers. One from the University of Alabama discusses a technique to work backwards from the program in hand to automatically extract the program specification.

The option behind this is of course the idea that in doing so, one should be able to discover how efficiently and economically the original design specification was carried out, and in the process indicate how the program could be cleaned up and made more efficient.

What is to be done is approached in a great number of ways, and research is going on into what is called the generation of a family of operating systems using a modular approach and the automatic generation of programs—there is a report on progress with the Most Scholastic of Engineering MODEL, its Module Description Language and the first version of a processor which can generate business program modules based on user requirements.

Fault-tolerant software is also in the news. The paper, by H. Hecht of the Aerospace Corporation in California has arisen out of work within aerospace where fault-tolerant hardware is becoming standard. It discusses the question of whether the same techniques could be applied to software and concludes that they could.

There are a number of problem areas, however, the greatest inhibitor—the cost of memory—is rapidly ceasing to be a matter of real concern. Hecht points out while space-related applications dependent upon new memory technologies will provide more storage in less weight, the weight restriction does not apply to stationary and more earthbound systems.

The two volumes of conference papers are available from Online, Cleveland Road, Exbridge UB8 2DD.

SAFETY

Lightweight overalls

WEIGHING ONLY 1 kg, a protective suit consisting of trousers, jacket and hood has been developed on Levenshulme, East Works, River Street, Oldham (061-624 6432).

Designed with the off-shore oil industry in mind, the suit provides maximum protection with comfort for a range of work and weather conditions. Made in a fabric woven from Du Pont Nomex Aramid fibre, the exposed breast, shoulder and forearm areas are reinforced with neoprene.

Said to be welding spatter and heat resistant, and to withstand ultraviolet radiation, the outfit is washable. Offset zips are a feature on the jackets to help ensure they are fastened when in use. The suits sell for around £30 in the U.K.

METALWORKING

Environment respected in foundry

COMPLETION of the development of its new £2m foundry and machine shop at Blackburn announced by Ransome Hoofmann Pollard last week comes as the culmination of a £14m investment programme which began in 1970.

Expansion of the company's facilities does not end here, however, since a further £5m is earmarked for the 1978 programme.

Main object of the foundry is to supply castings for the turbine bearings from RHP transmission bearings division. It is far cry from the dirty old casting shops of pre-war.

The totally enclosed sand plant is isolated from the foundry and contained in its own environmentally sealed tower. It can recycle and clean 40 tons of foundry sand an hour.

Blow-fill techniques have been devised specially to ensure uniform density of the sand before the high pressure squeeze of the mould at 30,000 lb. They also prevent sand spillage.

Particular attention has been paid to the cleaning lines for the castings with vibrators and shakers enclosed in acoustic booths.

Furnace equipment is entirely automatic operation in the Wetmore Garden City, Merit, melt and hold stages and AL7 IQA.

WELDING

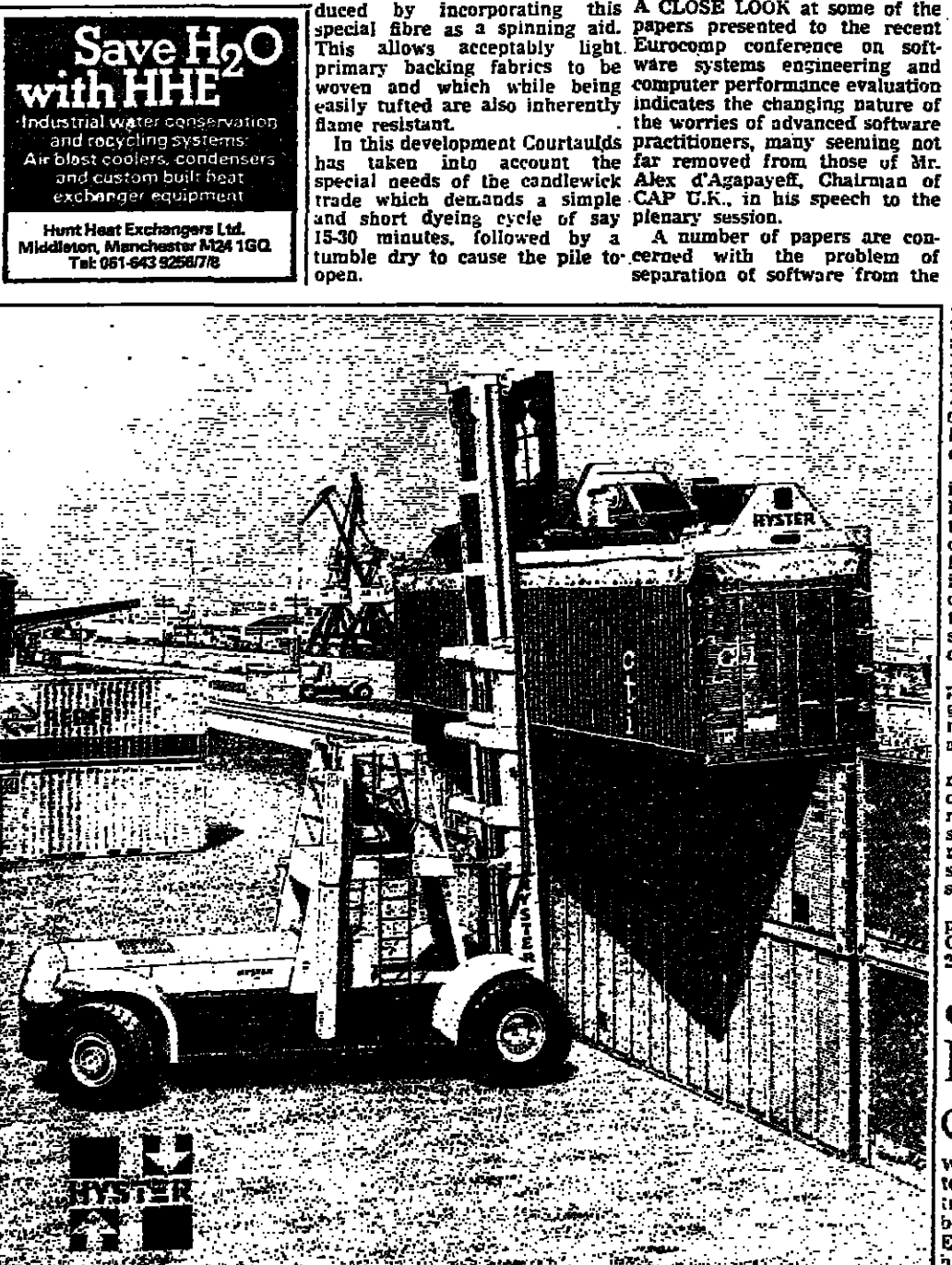
Electrode gets Navy approval

GKN Lincoln Electric's new rattle coated manual metal arc electrode is for general purpose all-position mild steel welding.

The 'Normend T' combines good penetration with a smooth arc. Suitable for fine stringer beads in the overhead position or larger weaves at high heat input in the downhand position, the new electrodes operate on low arc voltage, with little tendency to overheat.

They have been approved for use on mild and medium tensile steel by Lloyd's Register of Shipping and the Ministry of Defence (Navy).

More from the GKN company on 96 24581 at Black Fan Road, Welford, Garden City, Merit, melt and hold stages and AL7 IQA.



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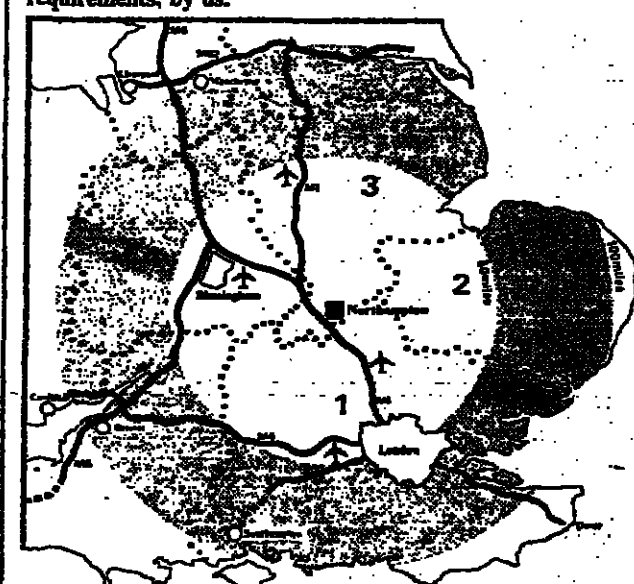
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Our map shows you how centrally Northampton is situated, midway between London and Birmingham, and with two thirds of the working population of England living within 100 miles radius. Major towns, ports and airports are within the same distance. The

key to distribution is increasingly by road, and it is here that Northampton scores! It's right beside the M1 motorway and only 20 miles from the M1/M6 junction.

Northampton's population is currently 150,000 and by the mid 1980s is expected to grow to 200,000. As it's an established town, it already has excellent shops, schools and leisure facilities. It has plenty of houses for sale, and we can offer new homes to the employees of firms moving to the town.

If you're interested in what Northampton has to offer, write to L Austin-Crowe BSc FRICS, Chief Estate Surveyor, Northampton Development Corporation, 23 Market Square, Northampton NN1 2EN or phone 0604 24734.

DROUGHT

You could have your own permanent water supply

There may be water under your land. If so, join the many organisations throughout Britain who have beaten their own water supply problems with a borehole and a submersible pump installation.

Take the first step now. Contact Hayward Tyler, one of the world's leading manufacturers of submersible borehole pumps, with 50 years experience.

We offer a free advisory service on feasibility, licensing and costs. We can organise the well drilling and will supply the complete pumping installation.

Phone this number now and we will gladly help you. It will save time if you have information ready on your daily water requirements. If you have an old well or disused borehole this information may also help.

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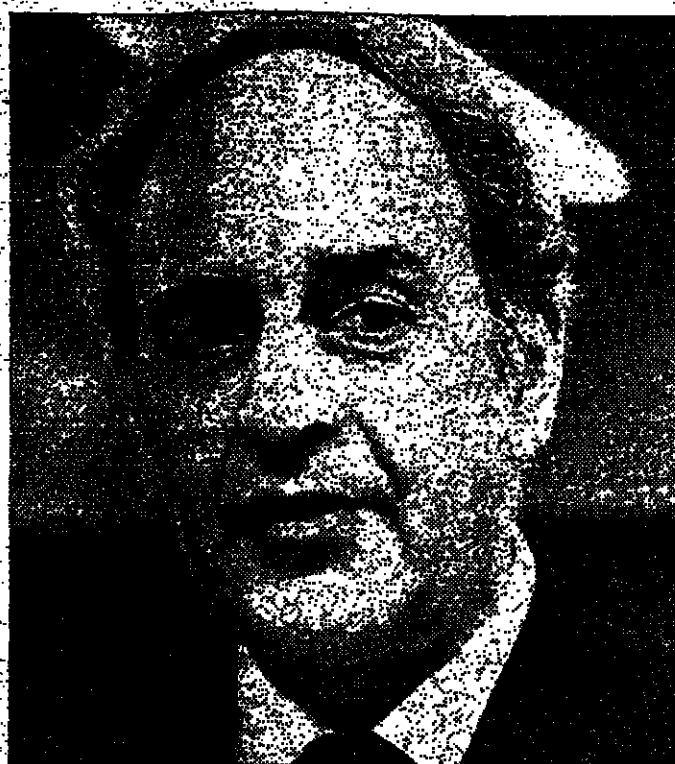
The Management Page

مكتبة الأعمال

EDITED BY JOHN ELLIOTT

The Prime Minister to-day helps to re-launch the BIM as a representational body

BIM bid to achieve a political role



Sir Derek Ezra, the new BIM chairman.

NEW stage in the British Institute of Management's campaign to become recognised as the country's organisation representing managers has been reached this week with a series of events which should enable it to prove whether or not it is to become a force to be reckoned with in national affairs.

Yesterday it was announced that it is setting up a joint committee with the National Economic Development Office to deal with management aspects of the Government's industrial strategy and to-day it is holding an extraordinary general meeting in London to shed its charitable status which, it believes, could impede its development of a political role.

Then, to-night, Mr. James Hagan, the Prime Minister, is scheduled to address the BIM dinner in London, an event which the BIM regards as evidence that the Government is interested in the development of its new representational role.

Long debate

At the same time the BIM is a new chairman to-day, Sir Derek Ezra, chairman of the National Coal Board, has over from Sir Frederick Herwood, Sir Frederick has led the organisation for the past 10 years during which time it has been engaged in an agonising internal debate about its future and about how best to lessen managers' frustrations over their position in society.

This debate included suggestions that it should rank alongside the CBI and the TUC in national affairs with a seat on the National Economic Development Council, and an invitation to Downing Street each time the other two industrial organisations were called in for talks. During much of this time, the BIM has often been unsure whether it should develop as a trade union, a professional institution, or simply a national spokesman.

The debate came to a head at its first convention which it held in March when it emerged that most of its active members wanted it to continue to represent management as a professional committee on the industry and also wanted it to adopt a representational role as a tangible move to show we are

national spokesman. But, while this would involve in trying to improve the status and rewards of management as well as their industrial effectiveness, they did not want it to develop into a trade union.

So at its special meeting to-day, the BIM is dropping its charitable status and is giving off its professional-style educational and research work into a new organisation called The BIM Foundation. The BIM will then operate as a separate entity aimed at representing managers in political and other affairs at the NEDO and in any other part of Whitehall where it can make itself heard.

The BIM, headed by Sir Derek Ezra, and its director general, Mr. Roy Joyce, will become an umbrella organisation covering both the BIM and the Foundation.

What all this means is that the BIM is using the need to shed its charitable status as a catalyst to re-launch itself in its new representational guise. "We have decided that we should be more aggressive and wanted it to continue to represent management as a professional committee on the industry and also wanted it to adopt a representational role as a tangible move to show we are

to get on with things," says Sir Derek, who must now bear much of the responsibility for ensuring that the BIM cashes in on the impetus being generated this week.

"It doesn't matter whether it's a wheel stall or the Coal Board that you're trying to run—it's all management and all those involved have the same problems," explains Sir Derek. "What you need is organisational ability, fair, judgment and the ability to deal with people."

"My main theme for my period of office will be to see the profession of management achieve the same measure of acceptance in the U.K. as it has in the U.S. and France and in other industrialised countries."

With 50,000 individuals and 13,000 companies in its membership, he considers that the BIM should now pursue its new representational role on three fronts. He will be spelling these out at the BIM dinner to-night. First, he will say it should work to improve the professional ability and efficiency of managers.

Secondly, it should be involved with the Government in talks on proposed policies which affect the daily life of a manager and his role in a company. These subjects would, for example, include the Budget, corporate taxation, the industrial strategy, pay policy and other matters such as industrial democracy. "We must be in there like the CBI and the TUC because we are the chaps who have to carry the policies out and our comments should be taken seriously," says Sir Derek.

Thirdly, the BIM should have similar access to the Government on matters that affect the status and conditions under which managers have to work.

as the CBI (as well as another rival, the Institute of Directors which also has representational ambitions) even though it may start preparing its policies with the individual manager rather than a corporation in mind. Indeed, some of its leading figures are prominent in the other organisations. Lord Watkinson who is now the CBI president stops being the BIM president to-day (he is not to be replaced at present) while Sir Derek is also on the council and the president's committee of the CBI, is a founder member of the nationalised industry chairman's group and is a member of the Institute of Directors.

Another problem for the BIM is that it does not have a large head office research and policy staff to help it formulate its ideas. It therefore intends to rely heavily on voluntary contributions from its members on policy making committees. It will need these for its NEDO committee which will give it a chance to show that it can contribute to an improvement in the quality of management in industry.

No strikes

Another way for managers to increase their clout in national affairs would be for them to join trade unions but Sir Derek—even though his own industry includes a long-standing management union—is not too keen on this idea and is totally opposed to managers going on strike. "My personal view is that managers should not strike. Instead we should set an example to other people and settle disputes by arbitration. It would be most unfortunate if managers went on strike. Any adult society should be able to settle its differences peacefully."

John Elliott

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Renewal of a lease

I own a freehold shop property let on a five year lease which expires in May, 1977. The necessary notice to quit has been served and the tenant requests a renewal for a further five years on the same terms except that the rent is to be increased to an agreed figure. So as to avoid the necessity of employing a solicitor, could the present lease be endorsed to renew for another five years? If so should each copy be signed and witnessed as in the original lease? What would be the stamp duty?

all that the property described in the within written lease to hold the same unto the tenant from the ... day of May, 1977 for a term of five years yielding and paying therefor the yearly rent of £... on the quarter days and otherwise with and subject to the same covenants terms and conditions and provision for re-entry as in the within written lease. The endorsements on both lease and counterpart lease should be executed by both parties. Stamp duty will be payable, being 50 pence on the counterpart held by you and £1 per £100 of rent (only if the rent exceeds £250 per annum) on the lease held by the tenant.

Endorsers of a cheque

If a cheque is endorsed several original lease and state that the times on the reverse with "Pay landlord demises to the tenant to the Order of ..." is the

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Tailored plan for directors

BY ERIC SHORT

65 PENSIONS and BENEFITS

OVER THE next 18 months up to April, 1978, directors are going to be kept busy making all the necessary pension arrangements for their employees. But amid all this preparation, they should not overlook their own pension requirements because when they do have a spare moment, they should consider how best to provide for their retirement.

Until a few years ago, controlling directors were treated as self-employed for pension purposes and they had to make their own arrangements, including paying the contributions out of fees or salary. But the Finance Act 1973 entitles all employed persons, including controlling directors, to be eligible for company pension provision, with the company paying some or all of the contributions.

The most straightforward method therefore would be to include directors, and other key personnel, in the main company pension scheme. But at this level the pension is based on the number of years of service in the company, with maximum pension being reached after 40 years. Thus many directors would not qualify for anything like this maximum, yet most would expect a pension at least approaching this maximum.

Adjusting the company scheme to give a faster accrual rate of benefit for special categories of membership can lead to all kinds of complications. Thus it is more convenient to establish a supplementary scheme to make good these shortfalls or better still to set up a separate scheme to provide the whole of the pension and other benefits, not only for directors but for all senior employees.

main company scheme. In addition, this contribution rate can be apportioned between the company and the individual in an agreed form. The maximum individual share is 15 per cent of salary—often such schemes are non-contributory with the company paying all the contributions. There is the usual full corporation tax relief on the company's payments, while the individual gets tax relief paid on his highest rate and does not incur any tax liability on the company contributions.

Finally, there are considerable tax advantages when the

a salary increase of 10 per cent—£1,500 gross. Assuming his top tax rate is 70 per cent, he would get a new increase of £450. But if the whole of the £1,500 is paid as a contribution into an individual pension arrangement, he could expect at age 65 to get a full pension of about £7,500 a year, or alternatively take a tax-free lump sum of £13,500 and a reduced pension of £5,500. If he invested the £450 net salary increase each year, he would need a return of 9½ per cent to accumulate £13,500.

Since 1973 a spate of individual pension plans has been flowing from the life companies, even from the new unit-linked ones that are not in the mainstream pension business. Yet a survey undertaken by the British Institute of Management showed that only two-thirds of companies had such arrangements—so there is still plenty of scope for more business. Most companies seem to put it through life companies even though there is nothing to stop such schemes being self-administered if required.

There are three main types of scheme on the market—with profits, unit-linked and deposit administration. Each offers different advantages.

For directors interested in reading further a recently published handbook by Money Management sets out in detail the investment implications of each type of scheme and analyses not only each scheme put up by the life company, but the life company itself.

Directors should, however, heed the attitude of the trade unions to these schemes which, like the parson's attitude to sin, is against it. Mr. John Edmunds, the National Industrial Officer of the General and Municipal Workers Union, summed up the attitude at a recent conference of the National Association of Pension Funds. Workers, he said, were against special schemes for other groups of employees and in all pension negotiations employers must supply full details of other schemes.

Well, in the case of individual pension arrangements, directors have nothing to lose by disclosure. The benefits provided are the same as for the company's main scheme, but in net terms are worth much more. The contributions are part of the senior managers' total remuneration. There is nothing to hide or be ashamed of.

Executive Pensions and Benefits: Fundex Ltd., 30 Finsbury Square, London EC2A 1PA; £5.25.

Directors and senior employees are often not in a position to get the most out of a company's main pension plan. A separate scheme may be the best answer

benefits become payable. Should the director die before he retires, the lump sum death benefit payable to dependants is free of Capital Transfer Tax. On retirement, his pension is taxed as earned income and not as investment income. And he can commute part of his pension for a substantial sum free of all taxes.

It is this latter advantage of a tax-free sum at retirement that makes pension schemes so attractive to senior executives and managers. Thus in most of the literature on the subject the tax planning aspects are highlighted rather than the pension provision.

The New Code put forward by the Inland Revenue for commutation of pension at retirement provides for 3/80ths of final salary for the first 8 years of service, plus 6/80ths for the next five years and 9/80ths over the next six years. This means that with 10 years' service, a lump sum of 36 per cent of final salary can be taken and after 20 years a lump sum of 120 per cent—the maximum.

It is therefore to the executive's ultimate benefit if as much as possible of his remuneration is paid into the pension arrangement. The following very simple example should demonstrate. Consider a man aged 50 earning £15,000 a year who is offered

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Quality in an age of change

Black power in the U.S. ballot box



Mr. Earl Butz (left) had to go to placate black voters. Mr. Jimmy Carter (right hand picture) goes out to woo the black community.

...ER A long, hot summer of...
...eight years ago...
...whether...
...cities...
...in the free of violent black test.

Philadelphia, to take only one...
...ordered...
...more...
...personnel...
...carriers...
...with riots to come. But...
...turned out to be the last...
...violent year. There have...
...sporadic incidents...
...and even though the...
...have ordered the bussing...
...school children in many cities...
...have scarcely been any...
...for riots. The riot equipment...
...the teargas are presumably...
...there. But the National...
...ard may well now have...
...gotten how to use them.

Mr. Carter

What worries Mr. Ford most...
...is the large concentration of...
...black voters in the northern...
...and midwestern states that he...
...must carry if he is to win. Mr...
...Jimmy Carter, who has given...
...blacks a considerable voice in...
...his organisation, recognised the...
...importance of these heavily...
...Democratic voters two years ago...
...and has wooed them ever since...
...with great success. In key...
...states like Pennsylvania, Ohio...
...Michigan, and West Virginia, the...
...black vote could make the differ...
...ence. But even though black...
...leaders are solidly behind Mr...
...Carter, no one really believes...
...that the black vote will be as...
...large as it could be. The reasons...
...are both complex and distur...
...bing. Most observers believe...
...that the lack of black interest...
...in the political process is a...
...symptom of an alienation which...
...may, in time, lead to violence...
...again.

all-black councils. Even Mr...
...George Wallace recognised after...
...his election as Governor of...
...Alabama that he could never...
...have made it without some...
...black support. The optimists...
...use all this as evidence to bolster...
...their case that blacks, like the...
...Poles or the Irish before them...
...are taking their place in the...
...mainstream of American society.

The facts, however, suggest...
...that this is far from being the...
...case. When Mr. Nixon took office...
...early in 1969 he adopted a...
...policy towards the cities—and...
...their black poor—of “benign...
...neglect.” More than one black...
...leader has since noted how...
...rapidly the word “benign” dis...
...appeared and in the recession of...
...the past two years it has been...
...the blacks who have tended to...
...be laid off first. In the past few...
...years the problems of the cities...
...and of the blacks have grown...
...worse, and earlier this year it...
...was reported that the use of...
...heroin and cocaine among city...
...blacks, a key indication to the...
...prevailing degree of frustration...
...and despair is now back to the...
...record level it reached in 1965.

Black unemployment has also...
...become an acute problem. The...
...unemployment ratio among...
...blacks is well over twice the...
...current national average of 8...
...per cent, and the Government...
...says that 45 per cent of black...
...teenagers are out of work. The...
...predominantly black Urban...
...League puts the figure at 65...
...per cent. Dr. Andrew Billingsley...
...a noted expert on the black...
...family, says that a very...
...sizeable group of blacks under...
...30 have never had a job. “We...
...are creating a permanent job...
...less sub-society, the implications...
...of which are far too dangerous...
...to imagine,” he says.

Last month the annual...
...poverty statistics once again...
...underlined the fact that a dis...
...proportionate number of blacks...
...are living well below the...
...poverty line. Other figures...
...indicate that many of those who...
...materially improved their...
...standard of living in the 1960s...
...have since fallen back. As more...
...and more whites have left the...
...cities for the suburbs, urban...
...tax bases have been shrinking...
...even as the problems of the...
...cities multiplied. One writer...
...recently suggested that Detroit...
...which has more than its share...
...of all these grim statistics, has...
...such intractable problems that...
...it might be best to knock it...
...down and start again.

Many blacks appear to have...
...all but given up and to feel...
...that there is nothing that...
...any politician—Democrat or...
...Republican—can do. Driving...
...through black districts of the...
...large U.S. city one might get...
...the impression that the money...
...poured into the cities during...
...President Lyndon Johnson’s...
...Great Society had never been...
...spent: houses continue to decay...
...shops are boarded up, and the...
...schools continue to be pretty...
...much unable to educate many of...
...the children who grudgingly...
...attend them.

the primaries it was the black...
...vote that provided the strongest...
...base of his support, and Mr. Texas...
...vote is very close.

Carter recognises his debt. If...
...In California, the largest...
...elected, he will no doubt pay...
...state, Spanish Americans con...
...close attention to the black...
...community, if nothing more.

President Ford has taken...
...next to no interest in the...
...problems of the cities since...
...taking office and this autumn...
...has been concentrating on...
...speaking farm workers in the...
...face of very strong opposition...
...from the farmers and growers.

Mr. Chavez has won Mr. Carter’s...
...support for Proposition Number...
...14 on the Californian Ballot...
...which, if accepted by the voters...
...there, would give his union for...
...the first time the right to enter...
...farms in order to organise...
...support. The proposition seems...
...likely to pass, and if Mr. Chavez...
...can deliver the votes Spanish...
...Americans could tip the balance...
...in what promises to be another...
...very close race.

For the moment, however, Mr. Butz’s remarks have put the...
...blacks firmly back in the centre...
...of the stage. It is much to easy...
...to point to the continuing...
...problems of blacks as evidence...
...that the civil rights movement...
...has failed, or that nothing has really...
...altered. The fact is that blacks...
...have made great progress, and are...
...now a political force which...
...cannot be ignored and can be...
...crucial. Yet that should not...
...obscure the fact that many...
...underlying problems have still...
...to be solved. Those blacks who...
...yet another minority has been go...
...ing its way towards political...
...certainly put their faith in Mr...
...Carter, even though they, too...
...now have reservations about all...
...politicians. For they also know...
...that whatever the answer may...
...be it is not merely to do...
...nothing, and that unless a new...
...way forward is found, sooner or...
...later there will again be violence.

Texas

Letters to the Editor

Shifting rings

From the Chairman...
...bert Lee International...
...Sir—“Frings” benefits...
...are shifting from the fringes...
...of the labour market and are now...
...coming the critical area, and...
...increasingly extensive area...
...of the employment who need to...
...and keep good people.

There are a number of...
...reasons. Inflation is pushing...
...everyone into higher and higher...
...rates, and is destroying the...
...at differentials between salary...
...states. Frings benefits, particu...
...larly in the form of tax benefits...
...mean now often be the deciding...
...factor for the senior job.

More junior people are now...
...moving into tax rates which...
...make tax benefits a considera...
...tion, and the restrictions of the...
...pay code are making...
...even more important. Another...
...factor is the actual cost to the...
...individual nowadays of working...
...at is travel, clothes, food, etc...
...these costs seem to be rising...
...faster than the general...
...rate of inflation and are putting...
...big premiums on local jobs in...
...some effective counter...
...measures can be provided. For...
...example, loans for season tickets...
...to subsidised food, etc.

Already, for firms which have...
...complete strength for labour...
...any fringe benefits are not...
...very standard. These include...
...pensions (50ths or 60ths), life...
...insurance, cars for senior people...
...and good expenses. For these...
...the problem is how to...
...link up new benefits which will...
...be a competitive edge. Highly...
...trained and expensive...
...conductions have sprung up devoted...
...to this purpose.

There are still industries...
...where there is less mobility...
...hour and where, without the...
...competitive force, there is less...
...interest in fringe benefits. This...
...seems likely to change as the...
...pay code forces the unions’ in...
...terest towards fringe benefits.

return? As regards capital...
...investment, the industrialist only...
...has to remember Lianwen to...
...make him cautious. This is not...
...to say that many managements...
...are not lacking in drive and...
...thrust in the matter of capital...
...investment, always involving an...
...element of risk, but it must be...
...understood that a major reason...
...for this is fear that the fruits...
...of successful investment will be...
...seized.

The allegations made by Mr...
...Jones and Mr. Baskett either...
...display a naïveté which is sup...
...posed to be a matter of history...
...or lay them open to the very...
...charges they themselves have...
...made.

B. A. E. Maude,
...4, Bath Road, Camberley, Surrey.

Long term view
From Mr. R. Battersby.
Sir—In reading the letters...
...page of October 1, and in particu...
...lar the steering crisis it must be...
...remembered that long term...
...speculation is going on.

It is in the interests of...
...prospective purchasers of our oil...
...to get the pound down now so that...
...an effect the relative cost of a...
...barrel of oil from the U.K. fields...
...will be cheaper or at least a...
...today’s prices when it is sold.

dispatched. As it had apparently...
...been lost in the post, my bank...
...had obtained from the company...
...a draft form of indemnity which...
...it enclosed for signature and...
...which would enable it to obtain...
...a duplicate certificate on my...
...behalf. The draft indemnity was...
...on the usual lines under which...
...the company was to be indemni...
...fied against the presentation of...
...the original certificate. In view...
...of the six months’ lapse of time...
...during which anything might...
...have happened to the original...
...I was not prepared to sign the...
...indemnity without qualifying it...
...to the effect that it was given to...
...the best of my knowledge and...
...belief. On August 2 I received...
...a duplicate share certificate. My...
...bank explained that the latter...
...it had adopted to achieve this...
...result had been the sending by...
...recorded delivery of successive...
...reminders to the company regis...
...trar.

A. W. McKenzie,
...5, Lubbock Road,
...Chislehurst, Kent.

Safety at work
From Mr. A. Hosson.
Sir— I would like to endorse...
...the views expressed in Mr. Denis...
...Gregory’s letter (September 27)...
...on health and safety at work. It...
...would appear that there is still...
...considerable scope for reducing...
...the number of workplace acci...
...dents and industrial diseases...
...without increasing the costs of...
...production. It is also apparent...
...that even when we reach the...
...relatively happy state where...
...production costs and human costs...
...are reduced, there is also a...
...costs will still be such that in...
...many cases it would be desirable...
...for firms to use more costly but...
...safer work systems.

Not only will the increase in...
...production costs referred to by...
...Mr. H. R. Heap (September 23)...
...reduce the competitiveness of...
...those export goods which can...
...not be produced without high...
...human costs; but, raised safety...
...standards are likely to increase...
...the import penetration of goods...
...from nations with lower safety...
...costs. Even where there is no...
...international competition the...
...prices of such goods are likely...
...to rise. Up to a point this ought...
...to be acceptable if the human...
...costs associated with production...
...are reduced. There is also a...
...distributional question to be...
...faced. The people who work in...
...dangerous environments are...
...often different from the benefi...
...ciaries of low-cost production...
...systems. In such circumstances...
...it may be acceptable to raise the...
...cost of production in excess of...
...the savings in human costs...
...(however defined).

Whatever our value-judgments...
...about the relative importance of...
...occupational health vis-à-vis...
...other social objectives, it is im...
...perative that the human costs...
...associated with the production of...
...particular goods are borne by...
...the producer in question, and...
...thence by the consumer, and not...
...by the taxpayer. If the relative...
...prices of dangerous-to-produce...
...goods are increased, consumers...
...will tend to reallocate their ex...
...penditure on to less-dangerous...
...goods, and there will be an in...
...centive to develop safer techno...
...logies. At the moment the human...
...costs of production are not fully...
...reflected in the price of these...
...goods, the costs being met by...
...unlucky households and the...
...general taxpayer.

In my view the Health and...
...Safety at Work Act 1974, is a...
...move in the right direction, but...
...much more can be done to “in...
...ternalise” the costs of occupa...
...tional ill-health.

Anthony Hosson,
...Nuffield College, Oxford.

Winning ways
From Mr. A. McKenzie.
Sir—Those of your readers...
...who may consider that company...
...registrars are unreasonable in...
...their requirements may take...
...heart from a recent experience...
...of mine. But they should be...
...careful to which bank they en...
...trust their affairs.

On October 30, 1975 I bought...
...through my bank 710 shares in a...
...well known company with a sub...
...stantial export trade. Shortly...
...afterwards I received from the...
...registrar some company litera...
...ture, indicating that my name...
...was on the register. At the end...
...of April my bank informed me...
...that as the relative share certi...
...ficate seemed an unreasonable...
...long time in arriving it had con...
...tacted its brokers, who had...
...replied that it had already been

To-day's Events

Continues. Scarborough. PARLIAMENTARY BUSINESS. House of Lords: Education Bill, committee. Parliamentary pensions and salaries Bill, second reading. Chronically Sick and Disabled Persons (Amendment) (No. 2) Bill committee. Bail Bill, Commons amendments. Stock Exchange Completion of Bargains Bill, third reading.

COMPANY RESULTS. Johnson and Firth Brown (full year). Molins (half year). Peninsular and Oriental Steam Navigation (half year). Rockware Group (half year). Thomson Organisation (half year). Wilmot-Breeden (Holdings) (half year).

COMPANY MEETINGS. International Timber. Tower Hotel, E.C. 12. Jarvis (J.) 239. Vauxhall Bridge Road, S.W. 11. Reliance Knitwear, Halifax. 12. Wholesale Fittings, Great Eastern Hotel, E.C. 12. Wiggins Construction, Benfleet, Essex. 12. 8 a.m.

MUSIC. New London Ensemble. Richard Bradshaw (cond.). Alan Hacker (saxophone). Alan Hacker (clarinet). Brahms Quintet. Horse of the Year. Serenade No. 2 in A, Op. 16. Show, Wembley. Tennis: Pernod Trophy, Bournemouth.

John Williams with Maria Farandour and members of the London Symphony Orchestra. Vivaldi two concertos for guitar and strings: Giuliani Concerto for guitar and strings: Theodorakis Vauxhall Bridge Road, S.W. 11. songs and guitar pieces inc.: Ramonero Hitano and two new songs. Royal Festival Hall, S.E.1, 8 a.m.

SPORT. Soccer: International friendly, Wales v. West Germany. Brahm's Quintet: Horse of the Year. Show, Wembley. Tennis: Pernod Trophy, Bournemouth.

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4. Belgium, Luxembourg	21. Ireland	42. Switzerland	63. Rumania, Bulgaria, Albania	72. Sudan
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COMPANY NEWS — COMMENT

Averys midway upsurge: record forecast

REFLECTING progress at home and abroad, taxable profit of Averys increased sharply from £3.6m. to £3.46m. in the first half of 1976 and Mr. R. C. Hale, chairman, says that the second half should show some improvement on last year's final six months. For 1975 profit was a record £3.81m.

First half earnings are up from 4.03p to 6.53p and the net interim dividend is lifted from 1.5875p to 1.7250p—last year's total was 4.728p.

The weighing and testing machine division continued to prosper. The general products division achieved an improvement on the depressed performance of the same period last year. A substantial contribution to the group's improved performance was made by the international division, which, says Mr. Hale, maintained its drive for expansion in world markets.

Order input in the U.K. and overseas continues to be higher than last year and a generally strong order book has been maintained. However, the upturn experienced in the early part of the year shows little sign of strengthening.

Despite payment for the 50 per cent. equity of Puma Insurance previously owned by Beck and Co. (Metiers) and for the building costs to date of Driver Southall's new factory at Tame Bridge, liquidity improved in the six months.

● comment

Avery's growth, amounting to a level, originates roughly equally from home and overseas, though £1.76m. to £3.21m. for the first half of 1976, the chairman of Senior Engineering Group, Mr. R. Smith, says the short-term trading out-

HIGHLIGHTS

Clive Discount points out that trading conditions in the first half were adverse following a 4 point rise in M.L.R. In the mail order sector both Freemans and Gratton Warehouses are reporting for similar six monthly periods and in both cases profits are higher thanks to better margins. Lex also takes a look at the Price Commission report on the Television Rental industry. Avery's has turned in a first half pre-tax gain of 49 per cent. split equally between home and overseas markets while at Silenight the advance after six months is some 65 per cent., reflecting the benefits of economies taken a few years back. Rationalisation benefits are also evident at Holt Lloyd where the half time gain is 35 per cent. Interim profits at Buzal are roughly unchanged but Cape Industries is still cashing in on asbestos price rises last January and in July 1975 while at Petrocon the 22 per cent. fall in profits represents a poor second half performance.

nearer 40 per cent. of the latest total. In the U.K. weighing and testing equipment has been in good demand from both retailers and industrial groups, while the general products division, incorporating petrol pumps, meters, shopfitting and office furniture, has staged a recovery, though there is still plenty of room for improvement. Meanwhile, overseas weighing machine sales in Nigeria and India have been particularly good, with India benefiting from the fact that a second factory opened some 18 months back has reached optimum production. For the year as a whole, pre-tax profits must reach over £12m. indicating a prospective p/e below 6 and a maximum yield of 8.4 per cent., so the shares at 96p are probably restrained by the lowish yield.

Midterm advance by Senior

Reporting pre-tax profits up from £1.76m. to £3.21m. for the first half of 1976, the chairman of Senior Engineering Group, Mr. R. Smith, says the short-term trading out-

look has improved and he views the rest of the year with some confidence. Profits for all 1975 reached £3.81m.

First half earnings are shown to be up from an adjusted 1.42p to 1.44p per share and the interim dividend is lifted from 0.475p to 0.5225p net. Subject to a recovery, though, there is still plenty of room for improvement. Meanwhile, overseas weighing machine sales in Nigeria and India have been particularly good, with India benefiting from the fact that a second factory opened some 18 months back has reached optimum production. For the year as a whole, pre-tax profits must reach over £12m. indicating a prospective p/e below 6 and a maximum yield of 8.4 per cent., so the shares at 96p are probably restrained by the lowish yield.

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J. Compton tops £1m. midway

FIRST HALF 1976 turnover of uniform and clothing manufacturers, J. Compton, Soas and Webb (Holdings) expanded from £3.99m. to £10.82m. and profit was £1.1m., compared with £0.9m., subject to tax of £0.57m. (£0.47m.). Last year's profit was £2.4m., a record.

The directors state that despite the home market recession which has caused some trimming of the labour force and pressure on margins, the outlook is buoyant and the drive for wider markets at home and overseas is meeting with a fair measure of success.

Ruberoid in profit first half

Mainly attributable to the contracting division, first half (to June 30, 1976) profit of Ruberoid exceeded that earned in the like period for many years, with a pre-tax figure of £231,000, compared with a loss of £231,000.

As forecast the net interim dividend is being restored to the 1974 level of 0.2p (0.25p) and final of at least 1.18p is expected—last year's total was 1.53p.

● comment

The progress of pre-tax profits at Senior Engineering Group has been maintained throughout the recession and yet it has still been able to add a further gain of 25 per cent. in the first half. The stability of profits is largely due to the deliberate diversification of its activities; for example, the steel tube division has not yet pulled out of slump conditions, but the thermal division (where there is a long time between the placing of an order and delivery) is still very active. However, the progress of pre-tax profits should not hide the more lacklustre performance of the earnings per share which have been restrained by the regular issues of new shares—most recently in the rights issue of last year which brought borrowed funds down to a mere 14 per cent. of shareholders' funds. At 16p the shares yield a prospective 10.2 per cent.

DARES ESTATES

Shareholders of Dares Estates have approved resolutions halving the nominal value of the Ordinary shares to 10p.

Share premium account was reduced to nil from £215,597, and the general reserve of £208,445 written off against profit and loss account. Loan stockholders have

Holt Lloyd up 35% at midway

ON TOTAL sales up 27 per cent. from £5.89m. to £11.29m., pre-tax profits of Holt Lloyd International rose 35 per cent. from £0.66m. to £1.16m. for the 26 weeks ended September 11, 1976. Earnings per share are stated at 4.8p against 4.2p, and an interim dividend of 2p per 10p share is declared.

The group, which manufactures car-care products, resulted from the merger last December of Holt Products and Lloyds Industries International. Lloyds paid an interim of 1.6p per share last year, and Holt paid 0.77p.

Mr. Tom Heywood, chairman, says the results confirm the anticipated benefits from the Holt-Lloyd merger, which have been achieved well ahead of schedule.

Prospects for the second half of the year are good. He expects to maintain the considerable progress achieved since the merger became effective at the beginning of the year.

G. Ingham back in profit

George Ingham and Co. (Holdings) reports a turnaround from a loss of £2,444 to profits of £3,187 for the first half of 1976. After a tax credit of £2,478 (£1,155) earnings are shown at 0.85p (loss 0.06p) per share.

The chairman, Mr. G. Robinson, had hoped that the radical measures necessarily involved in starting up a new plant would have been wiped out by the middle of the year. However, the company changed from June the position to profits and in July and August a trading profit before tax of £27,198 was achieved.

During March the group started to recruit extra staff to run three shifts, the result of which is shown in the turnover figure, though part of the latter is also due to increased raw material prices.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding dividend	Total for year	Total last year
Averys	1.73	Dec. 1	1.57	4.73	4.73
Bankers' Inv. Tr.	0.5	Nov. 30	0.24	1.02	1.02
W. Boulton	0.75	Dec. 2	0.55	1.25	1.25
Board Poly	2.54	Nov. 30	2.31	3.97	3.97
Cape Inds.	2.64	Nov. 30	2.4	6.88	6.88
City of Lon. Brv. 1st Int	0.53	Nov. 30	0.5	2.1	2.1
Clive Discount	1.33	Nov. 18	1.0	2.89(b)	2.89(b)
J. Compton, Webb	0.99	Jan. 4	0.86	1.94	1.94
Freemans SW9	0.93	Dec. 6	0.8	2.3	2.3
Gough Bros.	0.93	Dec. 6	0.8	2.3	2.3
Gratton Warehouses Int.	1.53	Nov. 26	1.55	4.74	4.74
Herrburger Brooks	0.88(c)	Dec. 8	0.88	0.88	0.88
Higgs and Hill Grp.	1.76	Dec. 1	1.6	2.79	2.79
H. and J. Hill	1.76	Dec. 1	1.6	2.79	2.79
Holt Lloyd Int.	2(a)	Dec. 17	0.6	1.73	1.73
Jove Trust	1.63	Nov. 26	1.63	3.25	3.25
Percy Lane	1	Dec. 1	—	1.5	1.5
S. Lyles	3	Jan. 4	2.4	5.4	5.4
Petrocon	3.23	Jan. 27	2.94	6.17	6.17
Ramsay Textiles	0.57	Dec. 8	0.52	1.09	1.09
Ruberoid	0.7	Nov. 29	0.35	1.05	1.05
Senior Eng.	0.32	Nov. 26	0.48	0.95	0.95
Silenight Holdings Int.	1.16	Jan. 4	1.05	3.31	3.31

Dividends shown pence per share net except where otherwise stated. (a) For 11 months. (b) For 12 months. (c) For 9 months.

Continued growth at Cape Inds.

THE FIRST HALF of 1976 resulted in continuing profits growth at Cape Industries and pre-tax profit for the period increased substantially from £4,030m. to £7.12m. Group turnover was 25 per cent. higher at £4.5m., compared with £3.6m. for the corresponding period last year.

By far the greater part of the increased profit came from the mining division, mainly due to the full effect being felt of earlier price increases. Sales in the automotive and engineering divisions were higher and margins also improved but in the building and insulation division, while sales were up, the profit ratio declined.

Mr. R. H. Dent, chairman, says in his interim report that group trading in the second half-year continues at approximately the same levels, but there are signs that it may become difficult to maintain similar margins throughout the year.

● comment

Cape Industries is still riding on the back of asbestos price increases in January 1976 and July 1975 which have helped double mining profits after nearly fourfold rise this time last year. Yet the rise is not over—although demand is relatively slack (against previous boom years), in South African mines are operating at full capacity, so that some expansion may eventually be required given the worldwide shortage of the commodity. About a fifth of total output reaches the U.K.—a fact that puts the current U.K. investigation

into the health hazards of asbestos into perspective. Cape's results include a currency profit on trading of perhaps 5p, and there will be more to come given the relative strength of the Rand. Finally, yet another price rise is quite possible early next year. Given that and improving trends in the building and automotive sectors, the shares at 115p should continue to show relative strength. Profits of £14m. look feasible for the full year and on a tax charge falling to around 40 per cent. (given the absence of exceptional factors in these results), the prospective p/e is 23. Even with a maximum yield of just under 10 per cent., that looks cheap.

Statement Page 25

S. Lyles back in profit

CARPET YARN spinners and dyers S. Lyles made a pre-tax profit for the year ended June 30, 1976, of £438,226 against a loss of £402,821. Half-time profit was £21,067, down from £80,712.

● comment

The year-end profit is struck after taking account of £15,258 recovered under a loss of profits insurance claim relating to unfulfilled Australian contracts which would have been completed in the year under review.

Stated earnings per 20p share are 6.14p against a loss of 7.39p and the final dividend stepped up from 1p to 3p net per share, making a total of 4p against 2p last time.

The chairman, Mr. John Lyles, states that the company has been able to maintain a good volume of production at an improved rate of profitability. The company continues to trade in the home market at an encouraging level, he says, and the signs of improvement in export business indicated at the interim stage should result in a material improvement in export performance for the current year.

Petrocon falls 22% to £1.01m.

AFTER BEING marginally up at halfway, but with two of its services subsidiaries affected by the recession in the process plant industry, pre-tax profit of Petrocon Group, the oil and process services group, fell by almost 22 per cent. to £1.01m. in the year to August 31, 1976.

An encouraging feature of the group's performance was the sub-divisional results, which showed a 22 per cent. fall in pre-tax profits compared with £198,300 in 1975. Turnover and pre-tax profit by divisions shows (£000s): Services £453.3 and £45.8; manufacturing £230,000 compared with £198,300 in 1975. Turnover and pre-tax profit by divisions shows (£000s): Services £453.3 and £45.8; manufacturing £230,000 compared with £198,300 in 1975.

With the acquisition of Flotec Group providing a substantial opportunity to change the financial position, the company is expected to pick up in the second half. A second interim dividend of 2.54p net lifts the 12-month total from 3.24p to 4.34p per share, absorbing £172,500.

Commenting on the acquisition Mr. Hodgson says it should be considerably to profitability in future years. No contribution from Flotec has been included in the results now announced.

Mr. Robert F. Atkinson, chief executive of Flotec, who now holds 418,285 Petrocon shares or about 7.1 per cent. of the issued share capital, and the other Flotec vendors have agreed not to sell their Petrocon holdings for at least two years.

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RECENT ISSUES

EQUITIES

Stock	High	Low	Open	Close	Change
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0

FIXED INTEREST STOCKS

Stock	High	Low	Open	Close	Change
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0

"RIGHTS" OFFERS

Stock	High	Low	Open	Close	Change
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0
1000	1000	1000	1000	1000	0.0

Grattan sees only modest full year increase

REPORTING a 184 per cent rise in pre-tax profits from £4.5m to £13.9m for the 28 weeks to August 14, 1978, the directors of Grattan Warehouses say that full year profits are likely to show only a modest increase over the record £9.7m achieved for all 1977-78.

Steady progress has been maintained during the spring/summer season, members are told. Sales progressed by 10.5 per cent to £72.0m, before VAT, although, in general, underlying volume trends remain fairly level. Improvements to profit margins, advantageous sales mix, and a lower rate of increase in some costs have resulted in the increase in profit.

The interim dividend is being held at 1.65p net per 25p share costing £726,000. Last year's final payment was 2.05p.

Turnover for the six months to July 31, 1978, of independent wine merchants Gough Brothers increased from £4.87m to £5.87m, but pre-tax profit fell from £224,411 to £77,777.

Gough Bros. down at halftime

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Earnings per 20p share fell from 1.9p to 0.9p, and the interim dividend is an unchanged 0.98p net per share. Last year, the company paid dividends totalling 2.9p after pre-tax profits of £239,378.

Mr. R. C. Gough, chairman, says that frustrated trading conditions continued during the period. While sales were up to the forecast and showed an increase of 18 per cent over the previous year, profits were below expectations.

The company has completed a detailed examination of its administration, says Mr. Gough, and a number of economies have been made.

He goes on to say that policy must continue to be to maintain and seek to expand the share of the market, and he is confident that this is in the best interests of the company.

S.E. inquiry into 'Suits'

The Stock Exchange inquiry into share dealings in Scottish and Universal Investments by its chairman, Sir Hugh Fraser, and other directors, and into related matters, is likely to take four to six weeks from the time it was established two weeks ago.

The terms of reference of the inquiry are such that it is certainly extending to recently disclosed dealings by Sir Hugh in the shares of House of Fraser, of which he is also chairman, and in which "SUITS" had, by July, built up a stake of 10.29 per cent (124m shares). Some 493,290 House of Fraser shares were bought by "SUITS" between January and June this year.

It has emerged that Sir Hugh sold 580,087 House of Fraser shares between the beginning of that company's financial year on February 1 and last week, reducing his personal holding from 283,097 to some 423,000 shares. It was disclosed yesterday that his trustees did, however, increase their holding by 180,000 shares during the same time.

It is believed that the Stock Exchange investigation, headed by Mr. David LeRoy-Lewis, is looking into the share dealings of all "SUITS" directors.

Williams Hudson explains delay

The directors of Williams Hudson Group have explained the reason for the delay in publishing the accounts of WHEM for the year ended March 31, 1978.

They state that current negotiations of a "material nature" affecting the shipping operation are under consideration, and they consider it desirable that the

Freemans up 23.4% so far

IN THE 28 weeks to August 14, 1978, turnover of mail order operators Freemans London (£5.9m) slipped from £65.12m to £64.96m, including VAT of £5.05m, but after lower interest received and demand has been encouraging. It is, however, unlikely that second half profits will exceed those of last year because margins have to absorb cost increases in the pipeline.

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Mr. Giles Butlin (joint managing directors), Mr. Michael Middleton (company secretary) and Mr. Len Davies (production director).

A preliminary hearing is scheduled to be heard in London on October 21. Mobbs Miller is a major supplier of shoe components and shoe lasts in the U.K. with manufacturing facilities in Kettering, Northampton and Norwich. It also has interests in South Africa and France.

Liden plans to diversify

The chairman of Liden (Holdings), Mr. C. B. Martin, states in his interim report that the Board plans to diversify the group into the broader field of merchandising and marketing of consumer goods in the hardware, DIY and related field, and is currently looking at the acquisition of three good companies in these fields.

The Board is also planning overseas operations, both on the continent and at a later stage in the U.S.

These activities will necessitate some considerable expenditure, and it is doubtful that a return to former profits will take place much before the year 1977-78.

The company has ample cash facilities for current and immediate future needs, relations with the company's banks, institutions and other financial sources are excellent.

In the half year to May 31, 1978, the company made a pre-tax loss of £21,321 against a profit of £2,338 and paid no dividend (same). (Reported October 5.)

For the year to April 5, 1978, Rivoli Cinemas announces pre-tax profits little changed at £51,411 compared with £51,916 for the previous 12 months. After tax of £18,889 against £24,097, the net balance comes through ahead from £28,819 to £32,522. The dividend is held at 15.1775p.

After over 15 months of legal argument, a £70,000 writ for breach of contract has been issued against Mobbs Miller and its wholly owned subsidiary Besford (H-F) Cabinets. The Mobbs Miller directors named in the action are Mr. John Curtis and

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مكتبات الدول

CAPE

CAPE INDUSTRIES

Interim Report

PROFITS GROWTH CONTINUES

- * All divisions contribute to 77% profit increase.
- * Earnings per share up by 33%.
- * Mr. R. H. Dent, Chairman, says trading in second half-year continues at approximately same levels but maintaining margins may become difficult.

	Half-year ended 30th June 1978	1975	Year ended 31st December 1975
Turnover	£64.9	£50.6	£107.0
Profit before interest and taxation	7.9	5.0	12.0
Profit before taxation	7.1	4.0	10.2
Profit after taxation	3.8	2.4	6.1
Attributable profit after extraordinary items	3.7	1.5	5.6
Earnings per ordinary share	15.7p	11.8p	29.6p
Dividend per ordinary share	2.6404p	2.4004p	6.6795p

Cape Industries Limited, 114 Park Street, London W1Y 4AB
Building and Automotive Products, Insulation Contracting, Mining

BRITISH ROLLMAKERS

(Rollmakers, Manufacturers and Distributors of Engineering Tools)

Extracts from the INTERIM STATEMENT of the chairman Mr. D. F. Dodd for the 26 weeks to 26th June 1978.

- * Turnover £10,305,000 (£9,584,000).
- * Profit before tax £710,000 (£711,000)—when figures were distorted by effects of a strike.
- * Interim dividend 3.5 per cent actual (same).
- * Home trading order level has been low while severe competition has restricted profits on export trade.
- * Longer term prospects are good though no improvement is expected in the remainder of this year.

Copies of the full interim statement may be obtained from—
The Secretary, The British Rollmakers Corporation Ltd.,
Weston Road, Crawley, CW1 1DB.

COUNTER-INFLATION ACT 1973

The Treasury have given consent to the declaration by the following companies of dividends of the total amounts specified for the financial years ending on the specified dates:

Company	Amount	Year
Saville Gordon Group Ltd.	£203,356	30. 4.76
Seed and Mallik Ltd.	£42,969	30. 4.76
Arker Timber Group Ltd.	£434,913	31. 3.76
Abieleff Group Ltd.	£19,372	31. 3.76
Imber Day Holdings Ltd.	£274,326	30. 4.76
affordshire Textiles (Holdings) Ltd.	£171,376	30. 4.76
elvic Haven Ltd.	£20,192	31. 3.76
James Hatfield (Holdings) Ltd.	£53,438	30. 4.76
he Newall Machine Tool Co Ltd.	£54,000	31. 3.76
Automated Security (Holdings) Ltd.	£20,465	30.11.76
allford Brindley Ltd.	£494,121	30. 6.76
FI Warehouses Ltd.	£495,000	29. 5.76

Published by the Treasury as required by the above Act

G. R. FRANCIS GROUP LIMITED

Significant Recovery in Profits...
Turnover to date still improving

SUMMARY OF RESULTS	1976	1975
Year ended 31st March		
Sales	£4,101,848	£3,179,412
Net profit before tax	£188,717	£70,012
Gross dividend per share	3.167p	1.584p

Review by the Chairman Mr. G. R. Francis

* I am happy to report a significant recovery in profits from the level of last year. The Group trading profit for the year was £188,717 and your Directors propose to restore the dividend to its 1974 level of 3.167p per share.

* In spite of the continuing difficulties in the building trade we have succeeded in achieving an increase of 29% in turnover, and although in the current situation it is impossible to forecast the present year's results, turnover to date is still improving.

* It has been a feature of Chairman's reports for some time to incorporate a statement saying that the company is well placed to take advantage of improvements

in trading conditions. We have decided to create our own upturn, and have in the current year invested in a considerable expansion of our showroom and trade counter at Tyseley. The new premises were officially opened in early September, and the facilities offered are without doubt second to none. Early trading signs are extremely encouraging in both sales areas.

* Sales from our Francisca range continue to show excellent results, and further products are planned to enhance all aspects of the home.



Heating and Plumbing Merchants-BIRMINGHAM

DGZ International
In close Touch with the World's major Financial Centers

Deutsche Girozentrale International in Luxembourg is a recognized team of skilled, professional and flexible Euro-market specialists. The Bank is a wholly-owned subsidiary of one of Germany's leading banks, the Frankfurt-based Deutsche Girozentrale - Deutsche Kommunalbank - (DGZ), the member institute on the federal level of the German savings banks organization.

DGZ International is particularly appreciated for its grasp of the market and its creativity in organizing sophisticated international financial operations specially geared to interbank requirements. The Bank's important role in the Euro-DM money market is complemented by expert foreign exchange dealings in connection with its broad financial operations. We are also dealing Eurobonds with special emphasis on DM bonds.

During the year under review, DGZ International continued its traditionally active role in the credit sector, providing custom-tailored Eurocredits to quality borrowers, especially for government finance.

Reflecting the increasing importance of business transacted in the Euromarkets and the Bank's growing stature in the market place, DGZ International enjoyed a successful business year. The balance sheet total reached 48 billion Flux as compared to the previous year's level of 34 billion Flux, and profits were correspondingly good. Capital and reserves, including an allocation from the year's profits, amount to more than one billion Flux.

For more information about DGZ International and its services just get in touch.

Balance Sheet as at 31st March, 1978

ASSETS	Francs	LIABILITIES	Francs
Liquid Assets	567,122,729.-	Liabilities to Banks	43,487,139,478.-
Balances with Banks for agreed periods	20,866,354,701.-	Liabilities to financial institutions and non-banks	1,150,546,515.-
Balances with financial institutions	1,969,870,000.-	Other liabilities	1,564,317,967.-
Secured Advances	7,983,144,809.-	Provision for contingencies	565,647,290.-
Unsecured Advances	3,115,918,075.-	Capital and Reserves	935,000,000.-
Securities	12,004,268,202.-	Profit for 1975/76	256,425,123.-
Other Assets	1,452,397,857.-		
Total Assets	47,959,076,373.-	Total Liabilities	47,959,076,373.-



Deutsche Girozentrale International S.A.

1, Place d'Armes, R.C. Luxembourg 9462 - B, Luxembourg-Ville

Telephone: 42471, Telex: 2257 and 2607

Grattan

CATALOGUE MAIL ORDER

INTERIM REPORT

1st FEBRUARY TO 14th AUGUST, 1976

TRADING RESULTS (unaudited)	28 week period			Year ended 31st January, 1976
	1976	1975	+/- %	
SALES	73,094,000	66,149,000	+10.5	130,451,000
VAT	5,860,000	5,015,000		10,235,000
NET SALES	67,434,000	61,134,000		120,216,000
GROUP TRADING PROFIT	5,593,000	4,846,000		10,450,000
INTEREST PAID	208,000	336,000		656,000
PROFIT BEFORE TAXATION	5,385,000	4,510,000	+19.4	9,794,000
TAXATION @ 52%	2,806,000	2,345,000		5,093,000
NET PROFIT	2,585,000	2,165,000		4,701,000

Steady progress has been maintained during the Spring/Summer season. Sales have progressed by over 10% although, in general, underlying volume trends remain fairly level. Improvements to profit margins, and advantageous sales mix and a lower rate of increase in some costs, have resulted in a 19.4% increase in profit.

The Autumn and Winter Catalogue has been well received and demand at this early stage has been encouraging. It is, however, unlikely that profits during this second half will exceed those earned in the same period last year because our margins have to absorb cost increases in the pipeline, particularly those of post and rail traffic and the recent implementation to our staff of the £6 pay policy.

Profits for the year as a whole are likely to show only a modest increase over last year.

DIVIDEND

The Board of Directors is maintaining the same Interim Dividend of 1.85p per share (1975-1.85p) amounting to £726,000 (1975-£726,000).

The Dividend will be paid on 26th November, 1976 to Stockholders registered at the close of business on the 28th October, 1976.

BOARD

The Board of Directors announce the following alterations to executive duties, made with effect from 5th October, 1976:

MR. E. T. HASLAM—relinquished the position of Joint Managing Director. He retains executive duties and the position of Deputy Chairman.
MR. M. M. PLACE—previously Joint Managing Director was appointed Managing Director.

By Order of the Board,
K. M. GRAY, F.C.A.,
Secretary.

Dated 5th October, 1976.

Copies of the Interim Report may be obtained from the Secretary, Grattan Warehouses Limited, Anchor House, Ingley Road, Bradford BD9 2XG.

Bunzl sees advance on previous £12.25m.

ALTHOUGH sales are expected to continue at a high level, margins at Bunzl Pulp and Paper are likely to remain under pressure. However, pre-tax profit for the year should be "somewhat higher" than 1975's £12.25m, states Mr. G. G. Bunzl, chairman. For the first half of 1976 sales improved from £74.2m to £90.18m, and pre-tax profit was up from £7.25m to £7.65m, after adjusting for the additional quarters trading of Bunzl and Black AG.

Stated earnings are 12.4p (same) and after extraordinary items 10.5p (18.5p)—the net interim dividend per 35p share is raised from 2.50p to 2.53p. Last year's final was 1.66p.

It is pointed out that higher costs could not be passed on in full.

During the first half about 75 per cent of the pre-tax surplus was attributable to overseas operations and exports.

U.K. cigarette filter sales volume was up on the poor first half of 1975 but it is expected to decline in the second half. Overseas filter companies maintained sales but at reduced margins.

Paper merchandising companies in the U.K. did well but the group's overall paper trading activities showed a decline from the very high level of the past few years.

Converted paper products sales increased and there were improved results in most countries.

The paper mill in the U.K. managed to maintain sales volume but because of low selling prices results continued to be unsatisfactory.

Packaging products sales moved ahead strongly with tubes and flexible packaging, showing particularly good results.

Sales of both plastics companies increased substantially but margins remained disappointing.

comment

The first-half earnings of Bunzl Pulp and Paper are practically unchanged on last year but this represents a recovery from the second half of last year. Not long ago, the company was confident that the recovery would continue strongly but now fears that it could be fizzling out, leaving profits down for the year as a whole. So far turnover has been well up but margins have been cut by the rise in raw material costs. However Bunzl has a very high overseas content and, following the fall in sterling, the surplus arising from conversion of overseas net assets amounts to £1.7m, more than half as much as the earnings. The prospective yield on the shares, at 80p, is 8.7 per cent.

Statement Page 27

Silentnight tops £1.1m. at halfway

MANUFACTURERS of divan sets and upholstered furniture, Silentnight Holdings reports pre-tax profits ahead from £707,000 to £1.16m for the six months to July 31, 1976, and the directors expect second half profits to show a maintained increase permitting the maximum dividend for the year.

The interim payment is raised from 1.05p to 1.15p net per 10p share from earnings of 5.50p (3.50p). Total dividends last year were £3,315,466 paid from pre-tax profits of £1.81m.

Sales, profits and cash flow continue to be highly satisfactory and export sales have increased, particularly to the Middle East, members are told.

Since July 31, 1976, the company has acquired S. Morris and Sons of Leeds, and Edmund Leon of Haddington, Scotland. In aggregate these acquisitions will cost less than £250,000.

comment

A two-third jump in pre-tax profits by Silentnight on sales higher by a third was enough to

Clive Discount trend

IN THE first half ended September 30, 1976, Clive Discount Holdings has experienced adverse trading conditions because of the 4 per cent rise in M.L.R. Nevertheless, the size and length of the portfolio of assets have been geared to combat the rise, the directors state.

They have declared an interim dividend of 1.35p net per 20p share, at a cost of £166,250. For the nine months ended March 31, 1976, the company paid a total of 2.50p (including a 1p interim dividend of £125,000) from a net profit of £706,000.

Statement Page 41

See Lex

Leisure & General growth policy

IT REMAINS policy at Leisure and General Holdings to look for further growth, particularly through selective investment and involvement in the holiday centre and catering industry, states Mr. J. G. Chapple, chairman.

The company's holiday centres are leaders in the field and this is confirmed by what he expects to be another record year.

General catering has continued to improve during the first quarter. A programme of modernisation and improvement in South Wales operations has been implemented and progress is expected to be sustained.

The dry summer weather affected bookmaking operations for the first quarter was unprofitable. There has been a welcome improvement in recent weeks.

Trading at Hardman Radio has been very good since the beginning of the year, with turnover and profits comfortably ahead of forecasts.

He re-states his earlier forecast that subject to unforeseeable adverse developments in the economy, the outlook for 1976/77 is good and he believes that a significant increase in profits should be achieved.

As known, pre-tax profit for the year to April 30, 1976 increased from £723,851 to £723,854. Interest charges were higher, largely from the development of the two motor hotels, both funded on term arrangements.

The major contribution to profit came from the motor hotel, holiday centre and catering operations. Lower profit was earned by the hi-fi and audio retailing division due to changes in VAT rates.

At year-end working capital decreased by £206,000 (£228,000)—the overdraft was up by £209,000 (£199,000 decrease).

Meeting, Backford Cross near Chester, November 1, 12.30 p.m.

Midterm rise for Barr & Stroud

Turnover of engineers and instrument makers Barr and Stroud for the half year to June 30, 1976, increased from £2.5m to £3.53m, and pre-tax profit grew from £222,000 to £304,000. Tax took £145,000 against £121,000.

The chairman, Mr. W. G. Strang, says that there is reason to think that results for the second half will be at least as good.

Last year, the company made pre-tax profits of £304,208 and paid a dividend of 4.32625p net per £1 share.

The basis of valuation of work in progress has been revised to comply with current standards, the director state. The consequent revaluation of opening work in progress has given rise to an extraordinary profit of £261,000, not subject to tax, which is not included in the results.

A profit of £21,000 on realisation of investments, not subject to tax because of losses brought forward, has also been excluded, the directors add.

Lawson Secs. optimistic

Mr. J. Nelmes Crocker, chairman of Lawson Securities, the Edinburgh-based unit trust group, yesterday expressed his satisfaction at the increase in funds under management from £1m. to almost £10m. during the group's second year of operation.

Speaking at the annual general meeting, he pointed out that this increase had occurred in these difficult times. He stated that he was cautiously optimistic that the funds would again show an

Ramar down to £0.2m.

After being down from £112,713 to £74,202 at half-way, profit of Ramar Textiles was £200,653 in the year to April 30, 1976, compared with £248,573 before tax of £110,000 (£145,230) on turnover up from £3.56m. to £6.02m. The funds would again show an

Recovery at Herrburger Brooks

After a loss of £4,125, against profits of £61,630, for the first six months, makers of piano actions, keys and hammers, Herrburger Brooks reports pre-tax profits of £119,813 for the 11 months to May 31, 1976, from turnover of £2.48m. In the previous full year profits were £48,435 on turnover of £2.55m.

After tax of £47,000 (£23,500) earnings are shown at 4.82p (2.97p) per 25p share. The dividend is 0.575p net (same for year). Profits included £10,000 set aside in the preceding year and no longer required.

As an addition to working capital, the holding company—Kimball International Incorporated—has provided £288,840 on fixed loan repayable by December 31, 1980.

H. & J. Hill first half setback

Manufacturers of iron castings and annealing cans H. & J. Hill Group, announces pre-tax profits down from £80,084 to £12,451 for the first half of 1976. Sales for the period fell from £1.3m. to £0.98m.

The foundry and drop forging divisions continued to have surplus capacity which necessitated short-time working for the majority of the period.

Although there has been some improvement in the drop forging division, the directors have decided, in view of the uncertain trading conditions, to defer consideration of the payment of an interim dividend until the results for the year are known.

Last year's interim was 0.80125p net and a total dividend of 1.7875p was paid from profits of £116,502 for the full year.

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Member of the Bank of Scotland Group

CHANNEL ISLANDS AND INTERNATIONAL INVESTMENT TRUST LIMITED

30th September 1976 37 Broad Street, Jersey

Half-Yearly Statement

The unaudited accounts of the company as at 30th June, 1976 show the following results:

	1976	1975
Gross Revenue of the Company was	71,909	50,374
Management and other Expenses Absorbed	11,589	10,276
Provision for Jersey Taxation	60,320	40,098
Net Revenue	12,064	8,020
Interim Dividend	48,256	32,078
Balance Carried Forward	248,256	278

Revaluation of the subsidiary company's holdings shows a book loss of £5,112 for the six months which is not reflected in the net revenue shown above. The subsidiary company had accumulated losses of £38,101 at the 1st January, 1976 and the profits or losses made during 1976 will take this carry-forward into account.

The consolidated net assets of the Company attributable to the Capital Shareholders, including investments at market value on 30th June, 1976, amounted to £1,992,125 (£1,815,604) equivalent to 398.425p (363p) per £1 Capital share.

Market values of foreign currency securities have been converted into sterling at 75% of the Investment Dollar Premium ruling at the date of valuation.

Save & Prosper (Jersey) Ltd.
Secretaries.

Significant profit improvement expected for Illingworth, Morris in current year

Comprehensive re-shaping of organisation and management structure

Mr. Ivan C. Hill reporting to Stockholders

The year under review has been one of the most difficult and eventful in the history of the Company. The problems created by the international economic recession, coupled with unprecedented world-wide inflation, were further complicated by the death in early September 1975 of Isidore Oster and then in December of our Chairman, Maurice Oster. As majority stockholders they naturally exercised a considerable influence over the Company's affairs. The profit result for the year, even taking into account all these circumstances, cannot be regarded as satisfactory, certain areas of the Group, particularly worsted manufacturing and the finer end of worsted spinning, having contributed nothing to the Company's prosperity.

Optimistic signs in common with other commodities, wool prices rose steadily during the year and continue to rise. The demand for raw and scoured wool, speciality fibres and tops, which usually precedes the cyclical upturn in cloth manufacture, has strengthened world-wide. Since the year-end combing activity has been maintained at an exceptionally high level. For the fine spinners conditions began to improve towards the end of the year and this improvement in trade has continued. Throughout the year Worsteds Manufacturing as a whole has been in a state of unrelieved recession and has responded very little to a number of specific efforts to alleviate the situation. There are now signs of better conditions, particularly in export markets, which encourage me to take a more optimistic view of the future.

A new strategy in appointing me as Chairman, your Board, by implication, agreed to the need, advocated for many years, of a new strategic approach to secure an improved

return on capital employed and a comprehensive re-shaping of the Company's management structure. The objectives of the new strategy are simple and direct. These are first, the assurance of highly skilled and effective management at top level; secondly, consolidation of the Company as basically a Group operating as topmakers and merchants, combers, worsted spinners, woolen and worsted manufacturers; and thirdly, by no means least important, an improvement in liquidity.

Divisional responsibilities To achieve these objectives, the Company is being divided into four major and two minor Divisions, responsibility for managing these being shared between four Joint Managing Directors, each expert in his own special sphere. The major Divisions are:—

- 1) Purchasing, Topmaking and Merchandising.
- 2) Combing and Spinning.
- 3) Worsteds Manufacturing and Cloth Merchandising.
- 4) Woolen.

The minor Divisions will cover Cotton and Clothing. In addition, an Estates and Realisation Division has been organised with an improvement in the Company's liquidity as its aim.

Better start to current year Any forecast of the current year's profits must be approached with caution, since an upward trend in the U.K. economy as a whole has yet to be fully confirmed. Nor is there any abatement in the crippling level of interest rates. On the basis of the trading results for the first quarter and the order book situation, there is a reasonable expectation, subject to the impact of the costs of urgent re-organisation, that there will be a significant improvement in the level of profits.

Illingworth, Morris

& COMPANY, LIMITED
AND SUBSIDIARIES

Combers, worsted spinners and manufacturers, etc.

Registered Office: Victoria Road, Saltaire, Shipley, West Yorkshire BD18 3LD

Planet Percy Lane Group

International manufacturers of aluminium window assemblies for the transport, caravan, portable building and construction industries.

Interim Results

- Resumption of Interim Dividend
- Record Group Sales & Pre-Tax Profits
- Outlook Brighter

"Group outlook now brighter...a Group record for the year should be achieved on the basis of which the maximum permitted final dividend would be recommended"

Peter Lane, Chairman

Results at a glance £000:	Half-Year End June 1976	Half-Year End June 1975	Full Year 1975
Sales	5,691	4,536	8,660
Profit before tax	437	103	315
Tax	219	87	170
Profit after tax	217	16	145
Dividend	1.0p	—	1.5p

Percy Lane Group Limited

Planet Works, Lichfield Road, Tamworth, Staffs. B79 7TL

Holt Lloyd International Ltd.
Europe's largest car care group

PROFIT up 35% SALES up 27%

Interim results

	28 weeks to Sept 11 1976	28 weeks to Sept 13 1975	52 weeks to Feb 28 1976
Sales	11,294,000	8,888,000	17,004,000
Pre-tax profit	1,156,000	860,000	1,488,000
After-tax profit	568,000	430,000	749,000
Earnings per share	5-6p	4-3p	7-2p

GROUP RESULTS confirm anticipated benefits from Holt-Lloyd merger which have been achieved well ahead of schedule. Notably:

- * Improved productivity resulting in lower unit costs.
- * UK administration, distribution and sales costs cut.
- * Increased unit sales backed by highest ever TV and Press advertising.
- * A 45% advance in overseas sales to £2,307,000.

INTERIM DIVIDEND: 2p per share with a tax credit of 1-077p, is equivalent to a gross dividend of 3-077p. The net payment will absorb £200,000.

PROSPECTS for the second half of the year (24 weeks) are good. I expect to maintain the considerable progress achieved since the merger took effect earlier this year.

Wimslow Cheshire
TOM HEYWOOD
Chairman

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Banking figures

Table 1 in Bank of England Quarterly Bulletin

Eligible liabilities, reserve assets, reserve ratios, and special deposits

Banks	Sept. 15, 1976	Change on month	Sept. 15, 1976	Change on month
Eligible liabilities	£m.	£m.	£m.	£m.
J.K. banks	1,400	+107	1,400	+107
London clearing banks	1,115	+3	1,115	+3
Scottish clearing banks	1,115	+3	1,115	+3
Northern Ireland banks	1,115	+3	1,115	+3
Accepting houses	1,115	+3	1,115	+3
Other	1,115	+3	1,115	+3
Overseas banks	1,115	+3	1,115	+3
American banks	1,115	+3	1,115	+3
Japanese banks	1,115	+3	1,115	+3
Other overseas banks	1,115	+3	1,115	+3
Consortium banks	1,115	+3	1,115	+3
Total eligible liabilities*	1,115	+3	1,115	+3
Reserve assets	1,115	+3	1,115	+3
J.K. banks	1,115	+3	1,115	+3
London clearing banks	1,115	+3	1,115	+3
Scottish clearing banks	1,115	+3	1,115	+3
Northern Ireland banks	1,115	+3	1,115	+3
Accepting houses	1,115	+3	1,115	+3
Other	1,115	+3	1,115	+3
Overseas banks	1,115	+3	1,115	+3
American banks	1,115	+3	1,115	+3
Japanese banks	1,115	+3	1,115	+3
Other overseas banks	1,115	+3	1,115	+3
Consortium banks	1,115	+3	1,115	+3
Total reserve assets	1,115	+3	1,115	+3
Combined ratio	1,115	+3	1,115	+3
Special deposits at September 15 were £1,034m. (up £5m.) for banks and £2m. (unchanged) for finance houses. *Interest-bearing eligible liabilities were £24,407m. (up £411m.) for banks and £2m. (unchanged) for finance houses. Total August figures for all banks included those for Northern Ireland banks for mid-May. A. Not available.				

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London Clearing Banks' balances

at September 15, 1976

THE TABLES below provide the first monthly indication of the trends of bank ending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks. Tables 1 and 2 cover the business

of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector. Table 3 covers the parent banks only. In this, it is comparable with the figures

produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control. Minor differences here arise from the exclusion from the clearing bank figures of Courts, a subsidiary of National Westminster but a clearing bank in its own right.

TABLE 1. AGGREGATE BALANCES	Total	Change on month	Total	Change on month
LIABILITIES	£m.	£m.	£m.	£m.
Eligible liabilities	1,400	+107	1,400	+107
U.K. banking system	1,115	+3	1,115	+3
Overseas residents	1,115	+3	1,115	+3
Certificates of deposit	1,115	+3	1,115	+3
of which: Time (inc. CD's)	1,115	+3	1,115	+3
Foreign currency deposits:				
U.K. banking system	1,115	+3	1,115	+3
Overseas residents	1,115	+3	1,115	+3
Certificates of deposit	1,115	+3	1,115	+3
Total deposits	1,115	+3	1,115	+3
Other liabilities	1,115	+3	1,115	+3
TOTAL LIABILITIES	1,115	+3	1,115	+3
ASSETS				
Cash and balances with Bank of England	1,115	+3	1,115	+3
Market loans:				
U.K. banks and discount market	1,115	+3	1,115	+3
Other	1,115	+3	1,115	+3
Special deposits with Bank of England	1,115	+3	1,115	+3
British Government stocks	1,115	+3	1,115	+3
Advances	1,115	+3	1,115	+3
TOTAL ASSETS	1,115	+3	1,115	+3

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES	TOTAL	Change on month	BARCLAYS	Change on month	LOYDS	Change on month	MIDLAND	Change on month	WESTMINSTER	Change on month	WILLIAMS & GILLYN	Change on month
LIABILITIES	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
Total deposits	43,794	+739	11,649	-72	8,572	+242	8,779	+225	13,208	+227	1,555	+17
ASSETS												
Cash and balances with Bank of England	1,008	-40	296	-15	170	+6	227	-2	277	-30	28	+1
Market loans:												
U.K. banks and discount market	8,768	+123	1,856	-172	2,037	-19	1,657	+90	2,842	+155	346	+39
Other	7,884	+180	2,026	-15	2,111	+26	1,318	+5	2,549	+171	210	-7
Bills	8,297	+383	621	+71	759	+345	451	+52	514	-74	52	-11
Special deposits with Bank of England	687	-12	214	-5	108	+3	138	-4	209	-6	20	-
British Government stocks	1,278	-12	446	-11	510	-	225	-	487	-1	10	-
Advances	22,894	+111	6,518	+41	2,472	-16	4,760	+62	6,752	+33	592	-9
TOTAL ASSETS	43,794	+739	11,649	-72	8,572	+242	8,779	+225	13,208	+227	1,555	+17

TABLE 3. CREDIT CONTROL INFORMATION (Parent banks only)

Eligible liabilities: 10,283 -104 6,212 +40 2,902 -34 4,252 +27 5,281 -114 836 -3

Reserve assets: 2,571 -55 821 -3 295 -14 571 -7 693 -42 90 +7

Reserve ratio (%): 15.3 -0.2 12.2 -0.1 18.6 -0.3 13.4 -0.3 13.1 -0.5 14.1 +1.1

Provision hits Higgs & Hill

IN THE first half of 1976, group operating profit of Higgs & Hill Group rose by 17 per cent. from £1,080m. to £1,260m., but after a 10.5m. provision for a doubtful debt arising from a major contract in Jamaica, pre-tax profits came to £784,000.

The chairman, Mr. E. W. Phillips, expects the operating profit for the second half will be in line with that now reported. He is confident that the group has a firm base to see it through the current recession.

First half earnings are shown at 4.5p (8.7p) per 25p share. The interim dividend is lifted from 1.8p to 1.75p and a maximum permitted total for the year is forecast. Last year's total was 2794p paid from taxable profits of £2.18m.

The value of construction work in hand stands at £100m. (£123m.).

The provision relates to retention and unpaid certificates on a project begun in 1971; every effort is being made to achieve the maximum recovery, members are told.

Turnover and profits in U.K. construction activities were satisfactory, but overseas results were adversely affected by unstable conditions in Jamaica which have deteriorated, causing losses on contracts.

The results from property operations suffered from delays in letting the Brimsdown industrial development and the joint office development at Maidstone.

The intake of new contracts has been below the level of recent years and the group may not be able to maintain the present high rate of turnover in the U.K. warns the chairman. "We have strengthened our marketing organisation, however, and are confident of obtaining a good share of the much reduced amount of work available."

Sales from residential developments in both the U.K. and France are encouraging and progress is now being made in the letting of Brimsdown and Maidstone.

Efforts to expand overseas are beginning to bear fruit. The group has been at work for two months on the major roadwork contract which was expected in Trinidad. In Bahrain, the wholly-owned subsidiary has taken on two management contracts and in Saudi Arabia the group is in joint venture on two contracts worth some £8m.; in both locations there is a springboard for expansion of operations.

comment
Higgs & Hill's turnover increase of 21.6 per cent., with profits up 16.5 per cent. (before provisions), were in line with expectations but the £200,000 provision against a major contract in Jamaica is causing concern. It remains to be seen whether the provision is sufficient or whether anything can be salvaged from Town and Commercial's collapse which was the cause. There are also doubts whether the interim dividend is in line of the interim dividend in line of the interim dividend in line of the interim dividend.

PERCY BILTON
Following the declaration by Percy Bilton last week of an interim dividend of 2.195p net per share, the scrip to be issued in lieu of the interim dividend to holders of 25p accumulation shares will be 16.5831 for every 1,000.

£1.13m. by William Boulton

THE SIMILAR pre-tax profit forecast at William Boulton (Holdings) for the year to end June, 1976 turns out to be £1,132,355—a record—compared with £1,013,745 in 1975 (£928,631) at half-way.

Also as forecast, the net final dividend is 0.7218p per 10p share on increased capital for a total of 12218p (1.0182p), the maximum permitted.

The company makes machinery for the ceramic, chemical, pharmaceutical and process industries, and operates as non-ferrous foundry, general engineers and high duty ironfounders.

Turnover 1975-76 18,774,744
Operating profit 1,132,355
Interest charges 281,754
Less interest 5,329
Pre-tax profit 1,132,355
Taxation 34,706
Less tax 34,706
Extraordinary dividend 100,000
Dividend 100,000
Attributable 274,943
Credit 155,000

Scottish Homes Inv.

The directors of Scottish Homes Investment Company say that the recent profitability continues into the current year, and they expect it to improve.

They referred a year ago to the deterioration in trading conditions, and this trend is now even more evident.

The company has progressively reduced the scale of operations and is not competing for new building contracts at the low margins currently ruling in the industry. Combined with a reduction in overheads, this is the most effective protection for the satisfactory completion of existing contracts, the directors add.

PERCY BILTON
Following the declaration by Percy Bilton last week of an interim dividend of 2.195p net per share, the scrip to be issued in lieu of the interim dividend to holders of 25p accumulation shares will be 16.5831 for every 1,000.

MINING NEWS

Canada opposes uranium probe

BY PAUL CHEESRIGHT

WHILE CONCEDEING that the Canadian uranium marketing agreement among producers outside the U.S. did exist in 1972, the Canadian Government has hardened its opposition to an official American inquiry into price-fixing allegations, by putting under lock and key details of its uranium markets between 1972 and 1973.

It is reported that the Canadian Export Minister, Mr. Alastair Gillespie, has described the links between uranium producers in his own country and South Africa, France and Australia as "an informal marketing arrangement among non-U.S. producers." Canada banned uranium exports under a fixed price and only lifted the restriction last year.

The refusal to allow American investigators to study Canadian statistics raises two issues, according to Mr. Gillespie. The first is the right of a government to support its own industries. The second is the need for a country to protect its own sovereignty.

The U.S. Department of Justice, in the course of its inquiry, last summer asked Mr. John Kostuk, the president of Canada's Denison Mines and chairman of the London-based Uranium Institute, and Mr. George Albino, the president of Rio Algom, the Canadian arm of Rio Tinto-Zinc, to appear before a Federal Grand Jury. They were refused by the Canadian Government.

The Justice Department was sent in August copies of internal documents, apparently originating from the Canadian Government, which is part of the RTZ group, that purported to show details of a number of price-fixing meetings among uranium producers outside the U.S. between 1972 and 1974. The documents came through the environmental organisation, Friends of the Earth.

RTZ has consistently refused to comment on the authenticity of the documents. But the documents relate to a period of weak uranium prices and the Canadian Government has portrayed the producers' "informal marketing arrangement" as a defensive move at a time of over-supply. Indeed, the over-supply was aggravated, in the Canadian view, by a U.S. decision not to accept uranium imports.

Since that time there has been a marked revival in uranium prices, largely caused by the increase in oil prices, and over the last year especially the Canadian uranium scene has become much more lively.

The greater confidence is illustrated by last week's decision to reopen a Saskatchewan mine which stopped active mining in 1974. Canada's Athabasca Mines are optioning their property at Uranium City in the Beaverledge area in Andara Exploration and Development, which is two-thirds Canadian owned. Andara calculates that reopening the mine will cost \$2.5m. (£1.4m.).

Also in Saskatchewan, consultants David S. Robertson and Associates have made a preliminary estimate of the reserves at the No. 1 Kay Lake uranium mine, which is a subsidiary of West Germany's Uranerzbergbau, Inco Oil of Houston, Texas, and the province-owned Saskatchewan Mining Development Corporation.

They calculate that the orebody has about 43,250 lbs. of uranium oxide of "quite rich" grade and 360m. lbs. of nickel.

MINING BRIEFS
AUSTRALIAN MINING AND SMOELT-ING—Company announces that it had concentrated production for 12 weeks to September 12, 1975 about 50,000 tonnes of 31.5% grade and 42,513 tonnes of 31.5% grade.

ELECTROLYTIC ZINC
Production Statement
Four weeks ended Sept. 22, August 23 (figures in tonnes):
Roden Works 14,568 14,111
West Coast Mines 49,427 50,720
Zinc 9,475 9,155
Copper 2,390 2,244
NEW GUINEA GOLDFIELDS—Four weeks ended September 19 Golden Ridge Mines: Milled 14,001 tonnes on assay 0.032 per cent. produced 25,512 ounces of gold. 802.21 ounces silver. Edie Creek: Fine gold produced 24,000 ounces. Silver produced 29,935 ounces. West Gams mine: Silver under produced 1,000 ounces.

GOLD AND BASE METAL OF NIGERIA
—August output of tin concentrates 172 per cent. graded, 10 tonnes. Columbite 1 tonne. 10 tonnes to August 21. In 29 tonnes, columbite 51 tonnes. Same output 1975, tin 244 tonnes, columbite 5 tonnes.

MOUNT ISA MINES—Production for the week ended 22 September 50 tonnes of lead ore treated, 17,820 tonnes, produced 10,600 tonnes. Crude lead and 13,820 tonnes. 210 tonnes. Copper ore treated, 352,040 tonnes, produced 12,850 tonnes. Blister copper.

UNITED TIN AREAS—August output of tin concentrates 172 per cent. graded, 10 tonnes. Five months to August 31, 10 tonnes. Same period last year 212 tonnes.

WESTERN MINING—Four weeks production for the week ended 22 September 50 tonnes of lead ore treated, 17,820 tonnes, produced 10,600 tonnes. Crude lead and 13,820 tonnes. 210 tonnes. Copper ore treated, 352,040 tonnes, produced 12,850 tonnes. Blister copper.

WOOD BASTOW looks for advance
In his annual statement to members of Wood Bastow Holdings, chairman Mr. J. Wood says that the current year already shows improvement and although he does not expect such an upsurge as last year, he feels the group can achieve a further advance in trading.

Mr. Wood says that the group's policy of restrained capital spending, coupled with tighter financial controls, has contributed to the elimination of the overdraft of £275,000.

The group, which manufactures corsetry and lingerie and is a major supplier to Marks and Spencer, made pre-tax profits of £760,000 against £660,000 in the year ended June 25, 1976 (reported September 10).

Fixed assets are shown in the balance sheet at £1,058,000 against £1,098,000, and net current assets at £1,477,000 (£1,730,000).

Meeting, Nottingham, October 27 at noon.

BUNZL PULP & PAPER LTD Interim Report 1976

Unaudited results for the half year ended 30th June 1976 and comparative figures for 1975 are

	Six months to 30th June	1976	1975	Year
		£000	£000	£000
Sales		90,181	74,197	154,092
Trading surplus		7,056	7,043	11,807
Share of associates' surplus		1,016	963	2,041
Net interest and dividends		415	722	1,401
Group surplus before taxation		7,657	7,284	12,247
Taxation		3,893	3,621	5,763
Group surplus after taxation		3,764	3,663	6,484
Minority interests		506	420	932
Earnings for shareholders		3,258	3,243	5,552
Extraordinary items including currency gains		1,838	1,084	1,006
Earnings after extraordinary items		5,096	4,327	6,558
Earnings per share		12.4p	12.4p	21.2p
Before extraordinary items		19.5p	16.5p	25.0p
After extraordinary items		2.53p	2.30p	1.66p
Dividends per share		2.53p	2.30p	1.66p
Net to shareholders		3,900p	3,545p	2,561p
Gross equivalent		3,900p	3,545p	2,561p

The figure for extraordinary items includes a surplus arising on the conversion of net assets overseas at 31st December 1975 at the June 1976 exchange rates of £1,692,000 (£1,037,000 in 1975).

During the period approximately 75% of the pre-tax surplus was attributable to overseas operations and exports.

The Directors have declared an interim dividend of 2.535p a share in respect of the year ending 31st December 1976, which represents an increase of 10% over last year. This dividend will be paid on 30th November 1976 to shareholders registered at the close of business on 29th October 1976.

Although sales are expected to continue at a high level margins are likely to remain under pressure. Group surplus before taxation for the year, excluding extraordinary items, should be somewhat higher than the results achieved for 1975.

Boulton

Chairman Mr Denis Fahey reports

- Group turnover increased to over £17m.
- Pre-tax profits again increased.
- Maximum permitted dividend proposed.
- Success of recent rights issue.

Summary of results

	1976	1975	1974	1973
Turnover	17,182	16,127	13,446	10,945
Pre-tax profit	1,132	1,014	801	655
Dividends	281	192	180	159
Net assets	4,866	3,868	3,560	3,019
Earnings per 10p share	2.9p	2.4p	2.1p	2.1p

Copies of the 1976 Annual Report and Accounts can be obtained from the Secretary, Providence House, Burslem, Stoke-on-Trent.

The William Boulton Group

freemans

Interim consolidated financial statement, for the 28 weeks ended 14th August 1976

All figures are subject to the year-end audit

£000's	28 weeks ended 14th Aug. 1976	28 weeks ended 9th Aug. 1975	53 weeks ended 31st Jan. 1976
Turnover	70,032	70,169	137,139
VAT	5,076	5,053	10,324
Trading Profit	4,737	4,240	9,200
Interest payable	227	585	1,008
Profit before taxation	4,510	3,655	8,192
Taxation	2,345	1,901	4,044
Profit after taxation	2,165	1,754	4,148
Dividend	508	462	1,117

The increase of 23.4% in profit before taxation has continued the improved performance shown in the latter part of last year. Bank borrowings throughout the period have shown a sharp reduction.

Interim Results
Due mainly to adverse economic conditions sales show little change from the exceptionally buoyant first half of last year, when they were 38% ahead. In addition some turnover was sacrificed through the closure of agencies deemed unprofitable under the stricter rules for evaluation adopted at the start of this year.

Anthony Rampton
Chairman

Freemans (London SW9) Ltd, 139 Clapham Road London SW9 0HR

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Poclain's interim loss

Poclain group has reported a first half loss for this year of Frs.6.7m. (loss Frs.60.3m.) before exceptional profits and losses, according to Reuters in Paris. The loss is after Frs.12.6m. for depreciation (Frs.13.8m.) and Frs.32.5m. for provisions for losses and costs (Frs.32.5m. for share depreciation and other risks and Frs.2.1m. for investments and medium term foreign credit operations).

After an exceptional capital gain of Frs.36.3m. arising from the creation of Poclain Hydraulics, the profit and loss account results in a profit of Frs.27.3m. for Poclain S.A.

B & O returns to profits

Banz and Olfen, Denmark's only remaining manufacturer of stereo equipment and television sets, said it had turned a Kr.8m. loss last year into a final net profit of Kr.28m. in the year ending in June, writes Hilary Barnes in Copenhagen. Sales were up 21 per cent. to Kr.623m. Exports to the U.K. under the company's main market were halved, and France and the U.S. are now the company's chief export markets. The company is privately owned. Shareholders will receive a dividend of 3.2 per cent. on the Kr.100m. share capital after foregoing a dividend last year.

Herstatt settlement

Bank and local authority creditors of Bankhaus Herstatt will be paid the final 10 per cent. of their settlement quota at the end of October or start of November, the settlement manager and liquidator told Reuters in Cologne today.

Steamships dividend

Steamships Trading Company, a Papua New Guinea shipping and trading company, is increasing its dividend from 10 per cent. to 12 per cent. after a 31 per cent. boost to group net profit from Kina 1,408,000 to K1,841,000 for the year in June 30. Group sales for 1976 were 11 per cent. higher at K47,270,000 and profit before minorities represents 3.95 per cent. of sales.

Mobil protests about French oil quotas

BY ROBERT MAUTHNER

Mobil HAS protested to the French Government against the French system of quotas for refined products which it claims favours French oil companies to the detriment of their foreign and, in particular, American counterparts.

Mr. Rawleigh Warner Jr., chairman of Mobil Corporation, said during a stopover in Paris yesterday that he had written a letter to the French President asking for a review of the latest regulations which fixed distribution ceilings for individual oil companies for the next three years.

The French Government

recently decided that the market for petrol and other refined products to be allocated to French oil companies, such as Total and Elf-Aquitaine should be raised from 46 to 50 per cent. and this could naturally be done only at the expense of foreign companies. According to Mr. Warner Shell and BP have not suffered from this. As a result, Mobil, which has been authorised a total increase of only 9.2 per cent. in the quantity of refined products which it distributes in France over the next three years, compared with 11 per cent. for most

of the other companies, will be obliged to buy petrol from its competitors. This is the only way in which the American company will be able to ensure that supplies of its product will be sufficient to meet the demand from its petrol stations.

Mobil therefore intends to buy some 100,000 tonnes of petrol from other oil refineries in 1977 rising progressively to 150,000 tonnes in 1979.

The Mobil Chairman expressed the hope, however, that a satisfactory solution would be found which would not envisage the withdrawal of his company from the French market.

EUROBONDS

New Eurobond issues total record \$10.8bn. for first nine months

BY TONY HAWKINS

NEW EUROBOND issues totalled a record \$10.8bn. in the first nine months of this year, according to figures published by Morgan Guaranty Trust Company.

This compares with the previous record of \$8.6bn. during the first nine months of 1975. The Morgan Guaranty figures show that 61 per cent. of Eurobond issues so far this year have been in dollar-denominated bonds. The two other important currencies for new bond issues have been the Deutschmark (18.7 per cent.) and the Canadian Dollar (11.1 per cent.).

The Morgan Guaranty calculations show total international

bond issues in the first nine months of 1976 at \$22.5bn. against last year's \$19.9bn. for the entire year. Main borrowers have been the industrial countries (74 per cent.), followed by the international organisations (20 per cent.).

The Morgan Guaranty figures break international bond issues down into three categories. There are Eurobonds of \$10.76bn. (47.8 per cent.), which represent the largest single component followed by foreign bonds issued in the U.S. (\$3.3 per cent.) and foreign bonds outside the U.S. (\$19.9 per cent.).

The Morgan Guaranty bank credits running at a quarterly rate of

Caution at the Benteler group

BY GUY HAWTHORN

THE BENTELER group, second largest steel tube manufacturer in West Germany, has told its workers that full employment for 1977 is assured. However, if certain orders from the Soviet Union and China are not forthcoming, things could worsen in the first quarter of 1977.

Benteler, which this year celebrates its 100th anniversary, is also important in the steel construction field, as well as mechanical engineering and the manufacturing of heating and cooling components.

As with other West German

concerns in the steel processing field it has been facing increasing price competition over the past couple of years.

Imports of steel and steel tubes have been taking a growing share of the domestic market, it said.

Imports, including those from Italy, have been undercutting the prices of West German manufacturers' products by as much as 25 to 30 per cent.

The group's turnover last year increased from the previous year's DM920m. to DM1,135m.

FRANKFURT, October 5.

U.S. COMPANIES

Lockheed recovery prospects better

BY JAY PALMER

LOCKHEED Aircraft, maker of the Rolls-Royce-powered L-1011 TriStar and the largest single U.S. defence contractor, today predicted that it will shortly be able to survive financially without the psychological crutch of the Federal Government's loan guarantee programme.

Mr. Robert Haack, who became interim-chairman of Lockheed following the company's bribery scandal, stressed that there are now "strong indications" that Lockheed's 24 creditor banks will agree to do without the Government aid which they once demanded.

The company's financial position is improving steadily, Mr. Haack added, "and there are some banks who are willing to give up the guarantees at this moment. However, I think the majority would rather wait another six to eight months to see that our refinancing is completed."

The U.S. Congress approved legislation in 1970 authorising the Nixon Administration to guarantee up to \$250m. worth of loans to Lockheed. The action came just in time to persuade bank creditors to increase lending to keep Lockheed out of bankruptcy.

However, since that time, the existence of this guarantee has generated virulent opposition in Congress. The company's declared payments of bribes overseas last year made the whole affair even more embarrassing for both the company and the Government.

But now Lockheed appears to be moving ahead on the right path. Last month it managed to get its equity shareholders to approve its refinancing scheme and it seems certain to secure all note holders' approval before the deadline.

This whole scheme, basically involving the conversion of crippling debt into equity, is seen as an essential if only pre-

liminary step towards the company's long-term survival.

Gen. Electric sales and net income gain

By Our New York Staff

NEW YORK, Oct. 5.

GENERAL ELECTRIC has reported its third consecutive rise in quarterly sales and net income, bringing sales to \$3.54bn. and net income to 52 per cent. of sales, or \$184.5m. (\$1 a share).

Sales for the company, the world's largest diversified electrical manufacturer, were up 8 per cent. over last year's third quarter, \$3.28bn., and net income rose 18 per cent. from \$156.1m. (or 55 cents a share).

All sectors of the company's activities reported profit gains—including consumer goods, industrial components and systems, and aerospace products—except nuclear power equipment, where there were lower sales and higher engineering costs.

The company's 10-K report, a standard form filed by companies with the monitoring agency, the Securities and Exchange Commission, filed last spring, warned that the nuclear business was likely to operate at a loss for several years.

For the first nine months of the year net income was \$301m. (or \$2.71 a share), up 39 per cent. from last year's \$360.1m. (or \$1.97 a share). The net was 4.8 per cent. of sales, which for the nine months was \$10,430m.

Last year sales were \$9,850m. for the comparable period, with the net touching 3.7 per cent. of that figure.

Earnings slip at Dow Chemical

MICHIGAN, Oct. 5.

DOW CHEMICAL said its third quarter earnings to be \$8

to 90 cents per share, compared with \$1.16 a year earlier, and no longer expects year net to exceed 1975's \$3.41 a share.

Mr. G. Williams, Dow's financial vice-president, said, "Until recently we had expected a pick-up in the second half. We had been hopeful that this year's earnings would be 18 per cent. higher than 1975's." Dow said.

The 1975 third quarter earnings included a 23 cents per share foreign currency translation gain and current year earnings should include a translation loss of about five cents per share.

The company said "the slower than expected economic recovery in most countries of the world now appears to be extending into the fourth quarter." Earnings for all of 1976 are expected to include foreign currency translation losses of 15 to 20 cents per share compared with a 1975 gain of about 7 cents.

The company said third quarter sales should be up about 12 per cent., including 7 per cent. in increased volume and 5 per cent. in higher prices.

Raw material and energy prices have risen almost 15 per cent. so far this year, Dow added.

The slower economic recovery and moderating inflation this year increase the likelihood of business improvement in 1977 and 1978.

This would result in better operating rates, greater ability to recover cost increases and improving profits, it said.

Revlon admission

NEW YORK, Oct. 5.

REVLON INCORPORATED, has admitted making substantial amounts of questionable payments overseas, including \$19,000 that was distributed in an un-

identified country after its government publicly denounced such payments, the New York Times reported.

The disclosure by the cosmetics and pharmaceutical company came

in a registration statement filed with the Securities and Exchange Commission in connection with Revlon's contemplated acquisition of Pharmacia.

Revlon also said a foreign subsidiary in another country accumulated a slush fund of nearly \$2m. the New York Times said.

There were no illegal payments made in the U.S. AP-DJ

Duncan bid extends

ELMSFORD, N.Y., Oct. 5.

LANDIS and Gyr AG of Switzerland said its American subsidiary, Duncan Electric Inc., has extended its bid to acquire the company until October 26.

As of yesterday it had received 465,004 shares of Class A common, or 95.2 per cent. of the 488,000 shares of Class A common, or 95.2 per cent. of the company's equity.

Landis and Gyr said it had 32,513 other shares for which it had tendered or was tendering shares. The company said it had received 32,513 other shares for which it had tendered or was tendering shares.

New GTE system

STAMFORD, Conn., Oct. 5.

GENERAL TELEPHONE & Electronics Corporation, has announced a new subsidiary, GTE Data Base Service, which will provide a single video display unit.

The new service, GTE will make internal information such as customer account data and research reports available on the same unit that also provides a single video display unit.

The new data base service will be added to the company's current information services operation, GTE said.

Reuter

S.A. annual reports express optimism

BY RICHARD ROLFE

JOHANNESBURG, Oct. 5.

ALTHOUGH South African industrial companies have by and large been turning in good profit figures, and frequently high dividends for the financial year just past, it has been an open question for some time how well profits will hold up in current accounting periods.

A number of Boards, now making their annual statements to shareholders for the year ended June 30, have three months of current trading experience to draw on, examined with more than usual interest. On the whole, the message is one of qualified optimism.

Mr. P. Beards, chairman of Anglo Alpha Holdings, says this conglomerate group "is well equipped to cope with uncertainties and to capitalise on any opportunities which may arise in 1976-77." He says the balance sheet shows net current assets of Rand 12m. and capital commitments of Rand 35m., which could suggest some need for additional funds, though cash flow was scheme will cost Protea Rand 20m. last year. On Rand 1.00 share, he regards the shares at 85 cents yield 12.9 per cent. as satisfactory for this company.

SELECTED EURODOLLAR BOND PRICE MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer	Chevron 3 1/2% 1988	115	116
Alcan 3 1/2% 1985	104 1/2	105	Dart 4 1/2% 1987	104 1/2	105
Australia 3 1/2% 1985	104 1/2	105	Enbridge 4 1/2% 1987	104 1/2	105
Borstar 3 1/2% 1986	104 1/2	105	Exxon 4 1/2% 1987	104 1/2	105
Canada 3 1/2% 1985	104 1/2	105	General Electric 4 1/2% 1987	104 1/2	105
Case 3 1/2% 1985	104 1/2	105	Goldman Sachs 4 1/2% 1987	104 1/2	105
Case 3 1/2% 1985	104 1/2	105	Harco 4 1/2% 1987	104 1/2	105
Case 3 1/2% 1985	104 1/2	105	International Paper 4 1/2% 1987	104 1/2	105
Case 3 1/2% 1985	104 1/2	105	Johnson & Johnson 4 1/2% 1987	104 1/2	105
Case 3 1/2% 1985	104 1/2	105	Kimberly-Clark 4 1/2% 1987	104 1/2	105
Case 3 1/2% 1985	104 1/2	105	Lockheed 4 1/2% 1987	104 1/2	105
Case 3 1/2% 1985	104 1/2	105	Monsanto 4 1/2% 1987	104 1/2	105
Case 3 1/2% 1985	104 1/2	105	Noranda 4 1/2% 1987	104 1/2	105
Case 3 1/2% 1985	104 1/2	105	Occidental Petroleum 4 1/2% 1987	104 1/2	105
Case 3 1/2% 1985	104 1/2	105	Overseas Shipbuilding 4 1/2% 1987	104 1/2	105
Case 3 1/2% 1985	104 1/2	105	Packaging Corp. of America 4 1/2% 1987	104 1/2	105
Case 3 1/2% 1985	104 1/2	105	Pfizer 4 1/2% 1987	104 1/2	105
Case 3 1/2% 1985	104 1/2	105	Procter & Gamble 4 1/2% 1987	104 1/2	105
Case 3 1/2% 1985	104 1/2	105	Raychem 4 1/2% 1987	104 1/2	105
Case 3 1/2% 1985	104 1/2	105	Reynolds 4 1/2% 1987	104 1/2	105
Case 3 1/2% 1985	104 1/2	105	Rockwell International 4 1/2% 1987	104 1/2	105
Case 3 1/2% 1985	104 1/2	105	Schlumberger 4 1/2% 1987	104 1/2	105
Case 3 1/2% 1985	104 1/2	105	Sealed Air Corp. 4 1/2% 1987	104 1/2	105
Case 3 1/2% 1985	104 1/2	105	Union Carbide 4 1/2% 1987	104 1/2	105
Case 3 1/2% 1985	104 1/2	105	Warner-Lambert 4 1/2% 1987	104 1/2	105
Case 3 1/2% 1985	104 1/2	105	Wm. Wrigley Chewing Gum 4 1/2% 1987	104 1/2	105
Case 3 1/2% 1985	104 1/2	105	Xerox 4 1/2% 1987	104 1/2	105

Source: Kidder, Peabody Securities

BRAZILIAN INVESTMENTS S.A.

Net Asset Value per Depositary Share as of 30th September 1976

U.S. \$80.64

Listed: The London Stock Exchange

INDUSTRIALIZATION FUND OF FINLAND LTD.

(TEOLLISTAMISRAHASTO OY)

\$25,000,000

9% GUARANTEED NOTES DUE 18th SEPTEMBER, 1984 UNCONDITIONALLY AND IRREVOCABLY GUARANTEED

REPUBLIC OF FINLAND

CITICORP INTERNATIONAL GROUP

KREDITBANK S.A. LUXEMBOURGEOISE UNION BANK OF SWITZERLAND (SECURITIES) LIMITED

WESTDEUTSCHE LANDESBANK GIROZENTRALE HAMBROS BANK LIMITED

KANSALLIS-OSAKE-PANKKI POSTIPANKKI UNION BANK OF FINLAND LIMITED

ALGEMENT BANK NEDERLAND N.V. BANKA NAZIONALE DEL LAVORO BANK OF AMERICA INTERNATIONAL

BANK OF HELSINKI LTD. BANK MEES & ROPE N.V. THE BANK OF TOKYO-MITSUBI B.N.

BANQUE BRUXELLES LAMBERT S.A. BANQUE WORMS BERLINER HANDELS-UND FRANKFURTER BANK

CREDIT COMMERCIAL DE FRANCE CREDIT LYONNAIS DEUTSCHE BANK DRESNER BANK

IBJ INTERNATIONAL MANUFACTURERS HANOVER ORION BANK OSUSPANKKIEN KESKUSPANKKI OY OKO

SAASTOPANKKIEN KESKUS-OSAKE-PANKKI (SKOP) SKANDINAVISKA ENSKILDABANKEN

SOCIETE GENERALE DE BANQUE S.A. SVENSKA HANDELSBANKEN M.N. WARBURG-BRINCKMANN, WIRTZ & CO.

ALABALI BANK OF KUWAIT (K.S.C.) A. E. AMES & CO. AMEX BANK LIMITED AMSTERDAM-ROTTERDAM BANK N.V.

ARAB BANK (OVERSEAS) LTD. ARAB FINANCE CORPORATION S.A.L. ARAB FINANCIAL CONSULTANTS COMPANY S.A.K.

BACHE HALSEY STUART INC. JULIUS BAER INTERNATIONAL BANCA COMMERCIALE ITALIANA BANCA DEL COTTARDO

BANCA DELLA SVIZZERA ITALIANA BANK GUTZWILLER, KURT, BUNGENBERG-OVERSEAS BANK LEE INTERNATIONAL LTD.

BANKERS TRUST INTERNATIONAL BANQUE ARABE ET INTERNATIONALE D'INVESTISSEMENT S.A.L.

BANQUE FRANCAISE DU COMMERCE EXTERIEUR BANQUE GENERALE DU LUXEMBOURG S.A.

BANQUE INTERNATIONALE A LUXEMBOURG S.A. BANQUE NORDEUROPE S.A. BANQUE DE PARIS ET DES PAYS-BAS

BANQUE DE L'UNION EUROPEENNE BARCLAYS BANK INTERNATIONAL BERGEN BANK

CAISSE DES DEPOTS ET CONSIGNATIONS CAZENOVE & CO. CHASE MANHATTAN LIMITED COUNTRY BANK

CREDITANSTALT-BANKVEREIN CREDIT INDUSTRIEL D'ALSACE ET DE LORRAINE CREDIT INDUSTRIEL ET COMMERCIAL

DAIWA EUROPE N.V. DEN NORSKE CREDITBANK DEUTSCHE GIROZENTRALE EUROPEAN BANKING COMPANY

FIRST BOSTON (EUROPE) ROBERT FLEMING & CO. ANTONY GIBBS HOLDINGS LTD.

GIROZENTRALE UND BANK DER OSTERREICHISCHEN SPARKASSEN GOLDMAN SACHS INTERNATIONAL CORP.

THE GULF BANK K.S.C. HANDELSBANK N.V. (OVERSEAS) HILL SAMUEL & CO. ISTITUTO BANCARIO SAN PAOLO DI TORINO

KIDDER, PEARSON INTERNATIONAL KLEINWORT, BENSON LIMITED KREDITBANK N.V. KUHN, LOES & CO. INTERNATIONAL

KUWAIT FINANCIAL CENTRE (S.A.K.) KUWAIT FOREIGN TRADING CONTRACTING & INVESTMENT CO. S.A.K.

KUWAIT INTERNATIONAL FINANCE CO. S.A.K. "KIFCO" KUWAIT INTERNATIONAL INVESTMENT CO. S.A.K.

KUWAIT INVESTMENT COMPANY (S.A.K.) LLOYDS BANK INTERNATIONAL LONDON MULTINATIONAL BANK UNDERWRITERS

SAMUEL MONTAGU & CO. MORGAN GRENELL & CO. THE NATIONAL BANK OF KUWAIT S.A.K.

THE NATIONAL COMMERCIAL BANK (SAUDI ARABIA) THE NIKKO SECURITIES CO., EUROPE LTD.

NIPPON EUROPEAN BANK S.A. NOMURA EUROPE N.V. NORDEUTSCHE LANDESBANK GIROZENTRALE NORDIC BANK

PIERSON, HEDRICK & PIERSON N.V. RABOMERICA INTERNATIONAL BANK N.V. ROTHSCHILD BANK AG

N.M. ROTHSCHILD & SONS SALOMON BROTHERS INTERNATIONAL SCANDINAVIAN BANK LIMITED

J. HENRY SCHROEDER WAGG & CO. SOCIETE BANCAIRE BARCLAYS-OVERSEAS LTD. SMITH BARNEY, HARRIS UPHAM & CO.

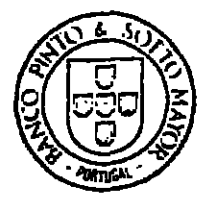
SOCIETE GENERALE SUMITOMO FINANCE INTERNATIONAL SWISS BANK CORPORATION-OVERSEAS

TRADE DEVELOPMENT BANK OVERSEAS INC. TEINKAUS & BURKHARDT UEBERSSEERANK AG

UNION DE BANQUES ARABES ET FRANCAISES-U.B.A.Y. VEREINS-UND WESTBANK J. VONTORL & CO.

S. G. WARBURG & CO. LTD. WOOD GUNDT LIMITED YAMAICHI INTERNATIONAL EUROPE LIMITED

September 1976



BANCO PINTO & SOTTO MAYOR

Head Office: Rua do Ouro, 28—LISBON

Main Offices: Oporto—Luanda—Maputo—Paris

Representative Offices: Düsseldorf—Montreal—Toronto

STATEMENT OF CONDITION (PORTUGAL)

	1976	1975
ASSETS		
Cash and Due from Banks	2 800 813	2 630 501
Correspondents Abroad	857 974	1 142 416
Bills Discounted	23 963 157	21 347 333
Securities	2 095 511	1 778 721
Loans	3 832 087	3 588 319
Bank Premises and Equipment	510 449	513 289
Other Assets	4 163 201	3 680 152
Contra Accounts	46 977 176	49 129 783
TOTAL	85 002 186	83 830 534
LIABILITIES		
Deposits	32 472 491	29 857 897
Sundry Creditors	278 476	210 233
Capital	1 200 000	1 200 000
Reserve Funds	1 212 100	1 212 100
Provisions for depreciation assets	392 469	344

INTERNATIONAL FINANCIAL AND COMPANY NEWS continued

Nippon Steel's furnace comes on stream at Kyushu

By Charles Smith, Far East Editor

PPON Steel Corporation, steel makers which cannot be accurately assessed, has announced that its new blast furnace is one of four projects which the company has embarked upon since the start of the 1975 recession and which are expected to be completed by the end of 1976. The new furnace, which is the largest in the world, will be built at the company's Oita works in the Kyushu region of Japan.

The Oita number two blast furnace, which cost ¥300 million (\$200m), is to be built on a site of 5,070 cubic metres or cubic metres more than the previous record holder at Sumitomo Metal Industries, Kashima.

The new furnace will more than double the capacity of the plant to a total of 5m tons of steel per year and will employ 400 workers. Its completion, however, comes at a time when the Japanese steel industry as a whole is still reeling from the effects of the oil price rise and the need for new capacity seems questionable.

The industry's output during the second quarter of 1976 was 4.7m tons, a 10 per cent fall on the same quarter of the previous year. Just before the oil crisis, Japan's steel-making capacity was estimated at 10m tons a year, but it may not be long before a full recovery.

Japan's "big five" steel makers (Nippon Steel, Nippon Kokan, Kawasaki, Sumitomo and Toyoko) are all expected to start operating at full capacity by the end of 1976. But this will depend further on the expansion of the Japanese economy and in the world how much of the new blast furnace capacity coming into operation next year can actually be used. At least two out of the big five, however, still have ample room for expansion at existing plants (Nippon Steel at Oita and Sumitomo at Kashima) while Nippon Kokan is understood to be considering embarking on a project for a new integrated steel works at Akita in north-west Honshu.

Yet another project which may or may not go forward is for joint investment by several of the big five in a collectively owned plant at Tokushima in the southern island of Hokkaido. Kawasaki Steel Corporation, which competes with Sumitomo for third place in the steel industry production league, is not planning any further blast furnace investment in Japan, but has become the only major Japanese steelmaker to go abroad on a large scale with investments in Brazil and the Philippines.

The Japanese industry's long term view is that steel will be a globally scarce material and that further major equipment investments are likely to be justified, even if caution is in order for the next year or so. Environmental pressures in Japan are forcing the steel industry to spend between 20 and 25 per cent of all new blast furnace investment on anti-pollution devices. But the industry maintains that even allowing for this, the cost of building a new blast furnace in Japan remains lower than in the U.S.

BUSINESS AIRCRAFT

U.S. companies reach for the sky

By Jay Palmer recently in Wichita

IT USED TO BE true that only the very largest companies ever purchased corporate aircraft and then, more often than not, largely for status reasons with the aircraft's actual use restricted to only the most senior of executives. To-day, in the U.S., this is no longer the case.

Over the past few years, more and more smaller companies have been converted to the idea that ownership of a light twin or even single-engine aircraft can be an invaluable aid for middle-line management. The direct result has been a sales boom for the U.S. light aircraft industry.

cent. of total volume sales, has seen its net income jump from about \$7m. in 1971 to nearly \$19m. last year. Beech Aircraft, whose main plant is just across town, has seen a similar sort of growth with its 1975 earnings leaping 25 per cent. Others in the industry including Republic Steel's Mooney Aircraft and Bangor Punta's Piper Division are also prospering.



Cessna Skylane

eliminating marginally profitable routes. To-day there are some 12,700 airports, excluding seaplane ports and helicopter pads, across the U.S. The commercial airlines serve only 475 of these. Moreover, the airlines, which not unnaturally cut the service first at low traffic ports, get about 70 per cent of their total passengers and cargo from only 30 airports. About 96 per cent comes from 150 of the 12,700 ports.

All this adds up to long delays, awkward travel schedules and frequent overnight stops for any company executive visiting suppliers, customers and out of the way plants. When one flies this in to the way that American business has over the last five years been decentralising away from expensive and crime ridden urban centres, it is clear that corporate aircraft have rapidly become less of a luxury and more of a necessity.

Record sales

Despite the Arab oil embargo, recession, inflation and the rapidly rising costs of flying, America's 15 or so general aviation companies will this year deliver over 18,000 new aircraft for record sales revenues of \$1.1bn. plus. In 1972, a mere four years ago, deliveries totalled under 10,000 for sales of \$560m.

Virtually every single light aircraft maker has benefited from this increasing demand and nowhere is this new prosperity more evident than in Wichita, Kansas, the mid-continent home of the industry.

Although the aircraft makers' trade organisation, the General Aviation Manufacturers' Association (GAMA) is now busily promoting pleasure flying, this side no longer dominates the industry.

No reliable figures are available. However, the U.S. Federal Aviation Administration, the companies themselves and GAMA all now suggest that corporate purchases account for over 80 per cent of new aircraft purchases and probably 80 per cent of the second-hand market. Companies trading up to larger aircraft account for much of this.

While the 55 mph nationwide speed limit obviously helped to emphasise the attractions of 100-200 mph light aircraft, the industry's biggest gain came directly from the problems facing the commercial airlines. Never immensely profitable to begin with, the airlines were forced by the huge jump in fuel costs to save money and improve load factors by slashing flight frequencies and simultaneously

Fixed costs

Cessna calculates that in virtually every case it can prove the financial benefits of operating an aircraft. Basically, it aims to prove that the direct operating costs of a company aircraft are equal or less than total current travel costs. Perhaps surprisingly to those who have always assumed that the cost of a private aircraft is high, this side of the "tap" equation almost always works out in favour of purchase.

The problems more usually come in justifying the fixed costs, that is to say the costs incurred even if the aircraft never leaves the ground. These, Cessna admits, must be offset by the intangible benefits of ownership such as comfortable in-flight working conditions, prestige, a reduction in unpopular overnight trips and, most of all, a saving in executive's travelling time.

Ataka closes overseas offices ahead of merger with Itoh

By Our Own Correspondent

TOKYO, Oct. 5.

ATAKA and Company, the representative offices in Barabara general trading company, Rio de Janeiro and East European offices in the near which ran into financial Hamburg. In the two latter cases the company has recently decided to close its offices. The company stresses that it is not closing offices in London or Paris.

No figures are available for reduction in Ataka's overseas personnel (305 Japanese staff were stationed abroad last April). But a fairly substantial reduction might seem to be indicated, given that Ataka's overall manpower is to be cut by 1,000 from its original level of 3,400 in preparation for the proposed merger with C. Itoh.

Ataka says that 1,000 workers have agreed in principle to leave the company's payroll on terms which include the payment of retirement allowances with a 25 per cent premium. A "few hundred" have left so far and the rest will probably go by the early part of next year.

Ataka has set April 1 next year as the target date for the merger to become effective, but C. Itoh, the larger and more powerful of the two companies, is reported to be having doubts about this date.

Formal merger talks are due to start between the two companies later this month after Ataka has submitted detailed proposals for the tie-up.

How to identify the leading U.S. government securities firm

CREDIT COMMERCIAL DE FRANCE

Paris

In his letter to the shareholders dated 22nd September 1976, the Chairman, Mr. J.M. Lévesque, gave the following information concerning the consolidated results for the half year to June 30, 1976:

The pre-tax banking revenue for the first six months of 1976 amounts to F87,960,000 compared with F89,755,000 in 1975 and F65,970,000 in 1974.

The downward trend of share prices resulted in a net depreciation of our securities portfolio of F4,181,000, whereas at July 1, 1975 it showed a F3,902,000 net appreciation.

The net profit due to the shareholders of the bank, after allowing for capital gains and losses and after taxation and deduction of profits due to minority interests in subsidiaries, amounts at the end of the first six months of 1976 to F36,558,000, compared with F51,546,000 in 1975 and F23,624,000 in 1974.

FAIRBAIRN LAWSON LIMITED

Interim Statement

The Directors of Fairbairn Lawson Limited are pleased to announce that the unaudited results for the half year ended 30th July, 1976, show a record Group profit before taxation of £430,000. This compares with £209,000 for the corresponding six months last year and exceeds the pre-tax figure of £411,000 for the full year ended 31st January, 1976.

Group turnover for the half year advanced by 20 per cent from £5,097,800 to £6,123,000 of which 50 per cent was accounted for by approximately 50 per cent.

The unaudited results for the half year ended 30th July, 1976 (compared with the figures for the corresponding period last year) were as follows:

	Half-year ended 30th July, 1976	Half-year ended 30th July, 1975	Audited Results Year ended 31st Jan., 1976
	£000	£000	£000
Group turnover representing sales to customers, excluding inter-company transfers	6,123	5,098	10,190
Group trading profit after charging all expenses other than interest, depreciation and taxation	658	430	845
Depreciation of fixed assets	107	101	194
Interest payable	551	329	651
	121	120	240
Group trading profit before taxation	430	209	411
Taxation—U.K.	211	24	113
Overseas	18	10	11
	229	34	124
Group profit after taxation attributable to Holding Company	201	175	287
Dividends:			
on Preference Shares—4.9 per cent. (net)	0.7	0.7	1
on Ordinary Shares—1976 Interim 1.0p (net)	58.3	43.3	95
	59.0	44.0	96
Earnings per share	3.70p	3.26p	5.37p

*The charge is mainly in respect of deferred tax and arises as losses, which have previously been set off against deferred tax, are absorbed by current taxable profits.

Earnings per share on the weighted average number of shares in issue during the period and after absorbing the effects of changes in taxation amount to 3.70p against 3.26p—an increase of 13.5 per cent.

All subsidiaries contributed to the greatly improved profit performance, and the anticipated recovery of Flexiform, the office furniture and systems company, is now well under way.

The Directors expect that, in the absence of unforeseen circumstances, the consolidated profit before taxation of the Company and its subsidiary companies for the year ending 30th December, 1976 will be not less than £900,000 (compared with £411,326 for the year ended 31st January, 1976).

Your Board believes that the Company should take the opportunity now to raise more equity capital by making a rights issue of 1,944,487 new Ordinary Shares at 25p per share on the basis of one new Ordinary Share for every three held at the close of business on 6th September, 1976. The additional permanent capital will consolidate the group's financial strength, enabling the Board to implement plans for selective investment.

The Board will pay an interim dividend on the existing Ordinary Shares for the year ending 30th December, 1976 of 1.0p per share (1975: 0.8125p) which, with the current related tax credit is equivalent to a gross dividend of 1.385p (1975: 1.25p). This dividend will be paid on 29th October, 1976 to the Ordinary Shareholders on the Register on 1st October, 1976. The new Ordinary Shares will not rank for the interim dividend but will rank in full for all other dividends hereafter paid or declared. The Board expects to pay a final dividend in respect of July 1977, with the consent of H.M. Treasury, such that total net dividends in respect of the year ending 30th December, 1976 will be 2.6p per share (4p gross) compared with 1.875p (2.75p gross) for last year.

29th September, 1976.

Test #1

Does the firm have enough stature to work with the Fed, the Treasury, and U.S. Government agencies?

Merrill Lynch Government Securities has played a leading role in developing and supporting many agency securities. Examples include GNMA Pass-Throughs, FNMA's Federal Home Loan Bank bonds, and securities of The Farm Credit Banks.



Test #2

Is the firm competitive enough to have an average trading volume of \$1 billion a day?

In 1975 Merrill Lynch Government Securities averaged a billion dollars a day in trading. Total volume for the year amounted to \$246 billion. On 4 days, trading actually exceeded \$2 billion.

Test #3

Does the firm offer direct access to primary money markets on a worldwide basis?

Merrill Lynch Government Securities deals with thousands of companies and institutions throughout the world. Not just those in or near major financial centers.



Test #4

Does it make firm bids in good markets and bad?

In a month that included a good market (April, 1976), Merrill Lynch Government Securities had an average daily volume of \$1.5 billion. Even when things got tough (May, 1976), the figure was still impressive—\$1.2 billion.

Test #5

Does the firm have a distribution system that reaches out to Main Street, as well as Wall Street?

Merrill Lynch Government Securities has trained 175 Account Executives of Merrill Lynch Pierce Fenner & Smith Inc., another member of the Merrill Lynch family of companies.

Located in 60 Merrill Lynch Pierce Fenner & Smith Inc. offices throughout the world, these Account Executives apply their special expertise to all kinds of government securities and related instruments.

The leading firm should do all these things. Not just a few. This firm does.

Merrill Lynch Government Securities Inc.

Merrill Lynch Government Securities Inc., Merrill Lynch International & Co., Merrill Lynch Pierce Fenner & Smith Inc. & Merrill Lynch International Bank Ltd. are members of the Merrill Lynch & Co., Inc. group of companies.

Branches and subsidiaries and affiliates in Abu Dhabi, Amsterdam, Athens, Bahrain, Barcelona, Brussels, Buenos Aires, Cannes, Caracas, Dubai, Düsseldorf, Frankfurt, Geneva, Hong Kong, Kuwait, London, Lugano, Madrid, Manila, Milan, Panama City, Paris, Rome, São Paulo, Seoul, Singapore, Sydney, Taipei, Tokyo, Vienna, Zurich.

Joint venture in Tehran—Iran Financial Services Co.

Argentine wool export duties cut

BUENOS AIRES, Oct. 5

ARGENTINE Agriculture Minister announced that export duties on 1976-77 wool are being cut to 15 per cent from 20 per cent for greasy and to 10 per cent for clean wool. The duties will be applied to all wool exports from the 1976-77 season onwards. The Minister said that the cut in duties was a result of the fact that the Argentine wool market had been in a state of depression since 1974-75. He said that the cut in duties was a necessary measure to stimulate the wool trade and to help the Argentine wool growers. The Minister said that the cut in duties would be applied to all wool exports from the 1976-77 season onwards. He said that the cut in duties was a necessary measure to stimulate the wool trade and to help the Argentine wool growers.

Drought aid for farmers will raise milk prices

BY PETER BOKEN

BRITAIN'S DAIRY farmers are to get an extra 2p per gallon for their milk this winter to help them overcome the effects of the worst drought for hundreds of years. The extra 2p will be met by the Government's Dairy Drought Fund, which was set up in 1974. The fund is financed by a levy on milk of 1p per gallon. The levy is paid by the milk processors to the Government. The Government then pays the extra 2p to the farmers. The extra 2p will be paid to the farmers from November 1st to March 31st. The extra 2p will be paid to the farmers from November 1st to March 31st.

The Government's announcement of an increase in the fat sheep guarantee by 3p per lb. was welcomed by the NFU as providing some encouragement for farmers to over-winter their sheep. But because of the high market price at the moment and the likelihood of the market remaining firm, it is not expected that the 3p increase will lead to any Exchequer payment to producers. A warmer welcome was given to the special aid for farm reserves. The Government is to increase all capital grants for farm water storage products by an average 20 per cent for the next 12 months. This is likely to encourage an extra £5m. worth of work on water storage on farms and horticultural holdings which could cost the Exchequer an extra £11m. in grant aid over the next year. Sir Henry Plumb, the National Farmers' Union president, said last night it was wrong and short-sighted for the Government to have refused even the very modest proposals of a limited devaluation of the pound. He said that the Government's proposals to help dairy farmers would only help to meet part of their extra feed costs this winter. Farmers could be forced to sell dairy cows because of the winter feed shortage which would mean a further check on expansion, he said.

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Soviet crop 'very good' - Brezhnev

MOSCOW, Oct. 5

COMMUNIST PARTY Chief Leonid Brezhnev said this year's Soviet grain harvest would be "very good". In an interview with French Television, which was also broadcast in Moscow, he gave no figure for the harvest. But his words suggested to Western observers that it would be over the target of 207m. tonnes. Last year the Soviet Union harvested only 140m. tonnes of grain, and bought heavily on world markets. Meanwhile in Winnipeg the United Grain Growers forecast in its final crop report of the year a total Canadian prairie grain crop of 17,000, bushels - up 357m. from 1975. Production of Red Spring wheat is now forecast by the prairie grain cooperative at 700m. bushels, second only to the record output of 779m. bushels produced in 1966. Durum output is predicted at a record 139m. bushels compared with a previous high of 93m. produced in 1975. Reuter

Flower-power move hit by court ruling

BY A SPECIAL CORRESPONDENT

DESPISE STEADY growth in the purchase of their products, flower producers the world over are, like everyone else, preoccupied with increasing sales to cover rapidly escalating costs. A big slice of the discussion at the recent conference in Jersey of the Association of Ornamental Horticultural Producers (AOHP) was devoted to promotion and publicity for this reason. Most of the 18 member countries undertake some sales promotion by voluntary methods. But it has always been the aim of the AOHP to institute the means of some statutory system based on levying producers.

Holland which has raised a flurry of alarm throughout all Common Market member countries. A company challenged the right of the Dutch bulb organisation to levy dues under EEC regulations for research, publicity and promotion, market intervention and a surplus stocks scheme. Fearful to adjudicate on an EEC statute the Dutch court referred the matter to the Common Market Court in Luxembourg. Here a lengthy ruling was given consisting of many individual points of comment which the Dutch court to whom it was sent back, eventually interpreted in such a way as to veto, among other things, the raising of a levy for national promotional purposes for bulbs. The court created a furor in Holland.

Although only narrowly concerned with bulbs, the ruling had vital implications for Dutch agriculture. The Ministry of Agriculture in Holland realised this and that the next step could be the banning within the EEC of levies for promoting, for example Dutch cheese, butter, tomatoes, lettuce or whatever - demanded that the court ruling should be challenged and an appeal made. This produced the reply that some new factor had to be introduced into the case before a rehearing could take place. In the meantime in the other EEC countries the impact of the Dutch court's decision was being studied anxiously. Although officials said what had happened was only a Dutch court interpretation of an EEC ruling Britain for example, was looking at the implications of the position on her Apple and Pear Development Council.

In Holland the immediate panic subsided with all the other commodity Boards being advised to continue their normal schemes for levy and promotion. But in the bulb sector the word Dutch "bulbs" promoted, while they endeavour to find the "new" factor which can lead to a fresh appeal to the court to overturn its previous decision. The wrath of the Dutch can be imagined from the situation existing now where a third country outside the Common Market, can promote its bulbs under the country name, in Holland but the Dutch are not allowed to do so, not only at home but in every other EEC country.

Hamstrung
The sad point is that for the flower producers of AOHP, to which a report on the present position of the Dutch affair was given on Monday, the one real success in which they could point in their campaign for statutory promotion in as many countries as possible has been hamstrung. A challenge to the principle of levies has since been made in Germany. The court before which the matter came in Frankfurt has decided to await the result of the further appeal of the Dutch. With such a challenge to modern business practice as a whole arising from the original Dutch case it is certain that a way will be found out of the impasse.

EEC threat to livestock health in U.K.

BY DAVID HAYWARD

OPPOSALS by the European Commission for livestock health regulations would Britain's farm livestock - said Sir Henry Plumb, president of the National Farmers' Union, yesterday. Mr. Plumb said that the regulations would be a threat to the health of the livestock. He said that the regulations would be a threat to the health of the livestock. He said that the regulations would be a threat to the health of the livestock.

Less NZ lamb for Britain

BY DAVID HAYWARD

NEW ZEALAND lamb exports to Britain are expected to fall during the coming season, because of better prices in other markets and a poorer growing season in New Zealand cutting supplies available. Last year the U.K. market received 214,000 tonnes - 65 per cent of the New Zealand lamb crop and nearly 50 per cent of total British consumption. Exporters estimate that in the new season, which starts this month, shipments to the U.K. will be about 202,000 tonnes. A drop in production of 6,800 tonnes is forecast because the lamb this year will be lighter in weight. But the fall in exports to the U.K. will be rather greater since Iran and other Middle East countries want more New Zealand lamb.

cent of the New Zealand lamb crop and nearly 50 per cent of total British consumption. Exporters estimate that in the new season, which starts this month, shipments to the U.K. will be about 202,000 tonnes. A drop in production of 6,800 tonnes is forecast because the lamb this year will be lighter in weight. But the fall in exports to the U.K. will be rather greater since Iran and other Middle East countries want more New Zealand lamb. Last year Iran, with imports of 20,000 tonnes, became New Zealand's second best single customer after Britain, a position formerly held by Greece. Iraq takes another 13,000 tonnes. With sales to other Middle East countries this area is of increasing importance to New Zealand. New Zealand production in the 1975-76 season was 324,800 tonnes. This year it is estimated at 317,400 tonnes. The main reason for the drop in production is that the weather during the winter and spring has not been as good as last year's excellent growing conditions. Lambs last year averaged 13.68 kilos. This year they are expected to average 13.3 kilos. The weight difference spread over 24.8m. lambs adds up to a lot of meat.

Wellington, Oct. 5. The Government's announcement of an increase in the fat sheep guarantee by 3p per lb. was welcomed by the NFU as providing some encouragement for farmers to over-winter their sheep. But because of the high market price at the moment and the likelihood of the market remaining firm, it is not expected that the 3p increase will lead to any Exchequer payment to producers. A warmer welcome was given to the special aid for farm reserves. The Government is to increase all capital grants for farm water storage products by an average 20 per cent for the next 12 months. This is likely to encourage an extra £5m. worth of work on water storage on farms and horticultural holdings which could cost the Exchequer an extra £11m. in grant aid over the next year. Sir Henry Plumb, the National Farmers' Union president, said last night it was wrong and short-sighted for the Government to have refused even the very modest proposals of a limited devaluation of the pound. He said that the Government's proposals to help dairy farmers would only help to meet part of their extra feed costs this winter. Farmers could be forced to sell dairy cows because of the winter feed shortage which would mean a further check on expansion, he said.

World sugar values rally

By Our Commodities Staff

WORLD SUGAR prices staged a recovery on the London terminal market yesterday. The London daily price for raw sugar was raised 28 to £125 a ton in the morning, apparently reflecting the price paid for 10,000 tons of Jamaican sugar bought by a London merchant at a private tender. On the futures market the March position gained more than 25 to close at £141.75 a ton. It was felt this was mainly a technical reaction against recent declines. Meanwhile in London yesterday an International Sugar Organisation advisory group resumed talks intended to clear the way for the October conference next April on a proposed new International Sugar Agreement.

London soyameal market changes likely

ROTTERDAM, Oct. 4

THE LONDON soyabean meal futures market will probably alter the quality conditions on its contracts in the next few months to appeal more to Continental traders, according to Market Association (Soma) chairman, Mr. Nicholas Wilkes. He told a seminar of Dutch soy traders here that an advisory sub-committee is studying possible changes. These are likely to include raising tolerances on moisture and maximum fibre content.

The non-British involvement in the London market is estimated at 25-30 per cent. "This is far too small," Mr. Wilkes said. Soma originally set higher quality conditions to avoid a flood of cheap imports from the U.S. It is now facing competition from the Paris soyabean meal futures market which opened two months ago. "Some of the meal from officially tenderable origins frequently does not measure up to contract terms. This might be acceptable if there were provisions for allowances—as in Paris. But in London there are none."

Soma will retain the size of contract at 100 tonnes compared with Paris where it is 50 tonnes. But the number of delivery points in the U.K. will have to be reduced since merchants and consumers are afraid of taking delivery in an unfavourable store.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Barely steady on the London Exchange. Although forward metal was at 200 and credit was 180, the market at 200 was unresponsive to the news of a 10 per cent increase in the afternoon after a session opening that had been expected at 180 on the news of the end of the strike in the U.S. Sterling considerations played a part. But the rally was sustained and the price drifted up.

	Oct. 5	Oct. 4	Oct. 3
Copper	200.00	198.00	196.00
Lead	110.00	108.00	106.00
Zinc	120.00	118.00	116.00
Nickel	150.00	148.00	146.00
Aluminium	180.00	178.00	176.00

	Oct. 5	Oct. 4	Oct. 3
Gold	380.00	378.00	376.00
Silver	120.00	118.00	116.00
Platinum	150.00	148.00	146.00
Palladium	180.00	178.00	176.00
Rhodium	210.00	208.00	206.00

	Oct. 5	Oct. 4	Oct. 3
Iron	100.00	98.00	96.00
Steel	110.00	108.00	106.00
Coal	120.00	118.00	116.00
Oil	130.00	128.00	126.00
Gas	140.00	138.00	136.00

	Oct. 5	Oct. 4	Oct. 3
Wheat	150.00	148.00	146.00
Rye	160.00	158.00	156.00
Oats	170.00	168.00	166.00
Barley	180.00	178.00	176.00
Malt	190.00	188.00	186.00

	Oct. 5	Oct. 4	Oct. 3
Flour	200.00	198.00	196.00
Maize	210.00	208.00	206.00
Soyabean	220.00	218.00	216.00
Wheat	230.00	228.00	226.00
Rye	240.00	238.00	236.00

	Oct. 5	Oct. 4	Oct. 3
Oil	250.00	248.00	246.00
Gas	260.00	258.00	256.00
Coal	270.00	268.00	266.00
Steel	280.00	278.00	276.00
Iron	290.00	288.00	286.00

	Oct. 5	Oct. 4	Oct. 3
Gold	300.00	298.00	296.00
Silver	310.00	308.00	306.00
Platinum	320.00	318.00	316.00
Palladium	330.00	328.00	326.00
Rhodium	340.00	338.00	336.00

WHEAT & BARLEY

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LEGAL NOTICES

IN THE MATTER OF THE COMPANIES ACT 1947

COMMERCIAL VEHICLES

STAY ON THE ROAD WITH ALFA TRUCKS LTD.

COFFEE

During the afternoon Robusta futures rose into fair profit-taking resistance. This was due to a small amount of buying for the month of November.

SUGAR

LONDON DAILY PRICE (raw sugar) 11/100 (11/100) a ton for Oct-Nov. 1976. The market was steady and the price was held at 11/100.

PALM OIL

COCONUT PALM OIL—Market has generally quiet in the week. The price was steady and the price was held at 11/100.

JUTE

DUNDEE—Firm. Prices are steady and the price was held at 11/100.

WOOL FUTURES

LONDON—Market continued unresponsive to maintained pressure, although fractionally at the close, reports of a small amount of buying for the month of November.

CONTRACTS AND TENDERS

SAUDI ARABIA

SAUDI ARABIA

Government tenders published daily in ARAB NEWS Saudi Arabia's first English-language newspaper.

COCAOA

Market traded nervously higher in the morning, reaching a high of 11/100. The market was steady and the price was held at 11/100.

GRAINS

THE BALTIC—Prices for U.S. millings which tend to rise but other sections of the imported grains market showed little change. Trading was generally slow although a small amount of optional contract trading for Oct. transshipment to the East Coast U.K.

MEAT/VEGETABLES

SMITHFIELD (pence a pound)—Beef: Smithfield killed sales 40 to 45. Beef: Smithfield killed sales 40 to 45. Beef: Smithfield killed sales 40 to 45.

Farm land price rising

By Our Commodities Staff
THE PRICE of agricultural land continued to rise in the three months to August 1976, according to latest provisional figures from the Agricultural Development and Advisory Service and the Agricultural Mortgage Corporation.

FINANCIAL TIMES

Oct. 4 Oct. 1 Month ago Year ago

REUTERS

Oct. 4 Oct. 1 Month ago Year ago

PERSONAL

COAT AND ELECTRIC WASH, Meters bought-sold exchanged 874 2024.

EDUCATIONAL

LEARN EVERYDAY FRENCH IN PARIS OR CANNES

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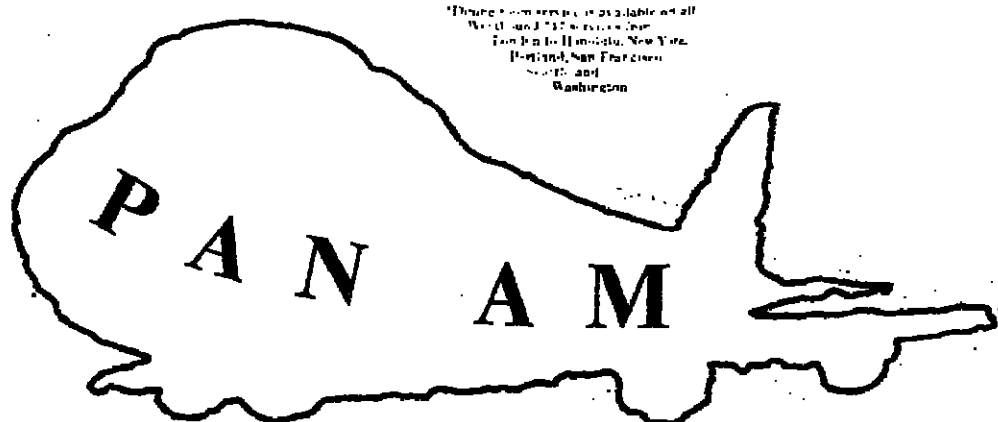
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...
Application forms
will then be sent to you
Please indicate where
you would like to travel

STOCK EXCHANGE REPORT

Fresh rally in leading equities soon peters out

Index down 4.5 at 319.3—Thorn Electrical weak

Account Dealing Dates
Option
First Declara- Last Account
Dealings Dealings Day
Sep. 20 Sep. 30 Oct. 1 Oct. 12
Oct. 4 Oct. 14 Oct. 15 Oct. 26
Oct. 18 Oct. 28 Oct. 29 Nov. 9

New time deals may take over from the old business days. Stock markets failed to consolidate on Monday's technical rally yesterday. An early fresh rally in the equity leaders was rejected, while British funds were out throughout the session. A report that the Finance Ministers of the oil exporting countries are expected to meet today to discuss a further rise in the price of oil in 1977 essentially disturbed sentiment and the tone in the late trading. In equities, the FT-100 index, which recorded a rise of 1.8 at 10.40, however, by noon there was a small net loss and later declines left the index down on balance at the close of 319.3. Selling was by no means heavy and occurred mainly in the late morning and in afternoon dealing. Falls in this range to a big in common with the equity leaders, there was not a great deal of selling pressure. The Government Securities index gave up 0.15 per cent to 58.18. Elsewhere, TV rental shares were hit by the Price Commission report which attacked the high profits made by the industry, but there was little early selling of note. Overall, price movements were narrowly contained, but fell just below the edge over rises by 6.5 in FT-100 Industrials. The FT-Actuaries All-Share index ended 0.5 per cent, to 154.85.

Gilt rally fades
An early attempt by British funds to extend Monday's

technical rally quickly proved unsuccessful and during the course of a thin trade all the ground recovered on that day was given up. Buyers may have paid heed to the contents of several brokers' circulars, which basically advised caution at the present time, and a centrally light volume of selling finally produced losses extending to among both the long and short, the former after a high-coupon issue.

Hope of progress south of the settlement of Rhodesia's constitutional issue flickered among Southern Rhodesian bonds, which improved 3 points in places, the 21 per cent 1985/70 stock rose that much to 233.

Initially affected by the movement in sterling, the investment currency premium drifted down to 128.1 per cent before rallying in thin trading to close fractionally higher on balance at 128.1 per cent. Antipagania were again hit by a feature of Foreign Railways, a small point more to 118.1. Yesterday's 8.7 conversion factor was 0.832 (0.874).

Australian banks dull

Lower overseas advances and the initially easier investment dollar premium caused dullness in Australian Banks. Losses of 10 were seen in National Bank of Australia, 35.5, ANZ, 35.5, and Bank of New South Wales, 34.0. Home banks closed narrowly irregular after earlier firmness. Barclays fared best with an improvement of 2 at 222.5, but Midland ended 3 lower at 223.5, after 22.5, while Lloyds closed 2 off at 180.5, after 182.5 and National Westminster finished unaltered at 202.5, after 202.5. Bank of Scotland declined 3 to 153.5, while Bank of Ireland managed to finish a penny better at 33 following the interim figures. Rubens also improved 1 to 21.5, on the first-half return to profitable trading, while further

consideration of the results put M.P. Kent the same amount better at 25.5.

Little changed at the house close, ICI reacted sharply after hours to close a net 6 cheaper at 197.5, low of 197.5. Television Contractors were notable for reactions of 3 in Anglia, 5.1p, and Associated, 5.1p.

Thorn under pressure

The Price Commission's criticism of the high profits currently being made by television rental companies caused a small two-way business in the shares concerned which closed with some substantial losses. Thorn Electrical came under pressure, and the (primary and secondary) closed at 192.5 and 193.5 respectively. Losses of 8 were seen in Granada, 47p, and Electronic Rentals, 42p, while Reliance declined 4 to 72p.

Elsewhere, Electricals closed with the occasional small fall. EMI eased 3 to 194.5 in front of to-morrow's results, while Plessey, 57p, and GEC, 127p, shed 1 and 2 respectively.

Stores closed with little alteration. Following a quiet afternoon, Debenhams eased 2 to a 197.5 low of 62p. Carrys, up a penny at 74p on further consideration of the interim report, but Rannar Textiles edged up to 81p on the increased dividend payment. Mail Orders were steady to firm. Grattan Warehouses finishing unchanged at 74p, after 73.5, and Freemans (London) closing 3 harder at 123p, after 122p, following their better-than-expected interim statements. Shes were featured by Strong and Fisher, which moved up 6 more to 85p on the results and scrip issue proposal.

Hawker illustrated the vulnerability of leading engineering shares, rising 5 initially and then closing that much lower on the day at

245p. Tube Investments moved following news that the company's large investment programme had been given the Board's blessing, while GKN settled 4 easier at 240p, after 236p. The tendency otherwise was moderately irregular, with Westbury 8 up at 300p, but Hill and Smith 3 down at 27p, TCK, 20p, and Victor, 20p, respectively.

On the view that the recent fall had been overdone, News International rallied 3 to 110p. Thomson was also a firm marker at 27.5p, up 2, ahead of today's interim results. Trading announcements brought an upturn in Bond Pulp, 4 higher at 80p on the first-half results and higher profit forecast, while Jefferies Smartt gained 4 further to 112p, being influenced still by the midway upturn in profits. Favourable comment relating to the half-yearly figures caused Marshall Cavendish, in Publishers, to harden to 30p.

Silentnight rise

Silentnight became a feature in miscellaneous Industrials, rising 4 to 45p, the second first-half profits and details of two acquisitions. Holt Lloyd responded to a good set of interim figures and the chairman's remarks on second-half prospects by gaining 2 to 66p, after 67p bid. Higher interim profits from Compton Sams and Webb were mitigated to a certain extent by reference to pressure on margins and the shares closed a fraction harder at 22p, while similar influences left Cap Industries 2 off at 113p. A few buyers and no sellers prompted a bounce of 4 to 25p, Royal Dutch, at 240p, in Photopia International, while Photo-Me gained 3 to a year's peak of 138p in anticipation of results expected October 14. Rockware improved 3 to 72p in front of today's interim results. Dull spots, however, were seen in Fitzwilliam which on nervous selling lost 4 to 24p, after 22p, while in an attempt to find a trading level the leaders were replaced by falls to 5 in Glaxo, 312p, and Metal Box touched 22p before closing a net 3 lower at 22p. Elbar, whose shareholders recently voted down a Scheme of Arrangements whereby the company would be taken over by Tanzanika Concessions, rose 10 to 160p.

After opening higher at 165p on Overseas Traders where price changes were narrowly mixed, the new mid-paid shares, 100p, replaced by falls to 5 in Glaxo, 312p, and Metal Box touched 22p before closing a net 3 lower at 22p. Elbar, whose shareholders recently voted down a Scheme of Arrangements whereby the company would be taken over by Tanzanika Concessions, rose 10 to 160p.

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Option Report—3-month call Rates

Transport, House of Fraser, Berry Wiggins, Tesco, Sear, M.V. Dart, Hawthorn Leslie, Hawker Siddeley, Vosper, BET, Newman Industries and Land Securities, a "put" was done in Beecham, while "doubles" were arranged in Charter Consolidated, Burnall Oil, Caravans International, Grand Metropolitan, Land Securities, Premier Consolidated Oil, Coral, EMI, Sabco and Wilcox and Gussies "A". J. Bibby, Shell Shell Transport.

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (c) Premium.

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FINANCIAL TIMES STOCK INDICES

Government Secs.	59.18	59.36	59.15	59.18	59.61	59.61	59.64	
Fixed Interest	58.93	59.05	58.97	58.92	59.42	59.42	59.49	
Industrial Ordinary	519.3	525.5	517.5	522.5	520.4	536.1	539.4	
Auto Mines	107.0	105.0	106.9	108.7	109.5	114.3	242	
Oil, Dir. Yield	7.07	6.96	7.08	6.96	6.80	6.71	6.56	
Domestic 1/2% 10/11	20.89	20.50	20.53	20.52	20.10	19.82	17.7	
1/2% 10/11 (net)	7.06	7.18	7.05	7.15	7.24	7.44	8.3	
Domestic 7% 10/11	4.622	4.634	4.659	4.628	5.114	5.202	5.59	
Equity turnover Rm.	20.22	20.44	20.66	20.67	20.80	20.80	20.80	
Equity turnover Ind.	11.152	11.256	11.091	11.369	11.685	12.37		
10 a.m. 22.5, 11 a.m. 23.50, Noon 22.5, 1 p.m. 22.1								
2 p.m. 22.1, 3 p.m. 21.4								
Based on 100 per cent corporation tax. a) Rm = 10								
Rm = 100, Ind. = 100, 10/11 = 100, Ind. Ord. 17.53, Gold								
Times 12.33, SE Activity July-Dec. 1942								

HIGHS AND LOWS				S.E. ACTIVITY			
Time		Since Completion		Time		Time	
High	Low	High	Low	Time	Time	Time	Time
Govt. Secs.	59.15	59.15	59.18	Daily	171.2	158.9	
Fixed Int.	58.93	58.93	58.97	Industrial	180.4	162.2	
Auto Mines	519.3	517.5	520.4	Gold	58.9	59.9	
Oil, Dir. Yield	7.07	6.96	7.08	Total	107.0	106.9	
Domestic 1/2% 10/11	20.89	20.50	20.53	Oil-Edged	19.82	17.7	
1/2% 10/11 (net)	7.06	7.18	7.05	Industrial	54.2	53.9	
Domestic 7% 10/11	4.622	4.634	4.659	Domestic	4.62	4.65	
Equity turnover Rm.	20.22	20.44	20.66	Total	108.7	111.4	
Equity turnover Ind.	11.152	11.256	11.091				

FINANCIAL TIMES SURVEY

Wednesday October 6 1976

مكتبة الأجل

Office Equipment

The office equipment industry is going through a bad time, and there are signs that U.K. users have been slow to adopt modern electronic techniques. This has serious implications not only for the industry's competitiveness but also for standards of efficiency in Britain's offices.

Britain
ails
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eld

Roy Leyne

ARE crucial times for any real growth in the office equipment sector. Not only are the U.K. industry's exports in its worst recession—with sales down in almost all its markets by more than 50 per cent in value terms, the industry is threatened by the 8 per cent decline in office furniture sales in the fourth quarter.

Worst hit was dictating equipment, which fell by no less than 50 per cent in value terms. The industry is threatened by the 8 per cent decline in office furniture sales in the fourth quarter.

U.K. companies are given the lack of new office buildings by the apparent reluctance of British businessmen to do some worrying for the new electronic aspects. For the rest, the signs that are revolutionising the American office. But indicated in the accompanying unwillingness continues, able) speaks volumes about the U.K. office sector, which fall in that sales.

One cause for concern about the structure of the market is that imports account for just over half of total sales. This is still based on electro-mechanical products rather than the

The implications for the U.K. office equipment industry are profound. As part of its new industrial strategy, the Government initiated a NEDC investigation into the office machinery sector and its findings and recommendations are far-reaching. In the meantime, the common with most of industry, the sector continues to languish.

The market—as defined by Business Monitor PQ 1085—rose by 7.3 per cent to £1.177bn. in 1975, suggesting a strong decline in volume sales. Moreover, preliminary figures for the first quarter of 1976 indicate that, while the growth in the value of sales accelerated against last year's first quarter, there was negligible growth against the fourth quarter.

The only sectors that showed any real growth in 1975 were office equipment, computers and private telephones exchanges (where the market grew by £16m. to £57m.).

Worst hit was dictating equipment, which fell by no less than 50 per cent in value terms. The industry is threatened by the 8 per cent decline in office furniture sales in the fourth quarter.

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Expressed

This is one of the points expressed in the recent NEDC report on the office equipment sector, excluding furniture and mainframe computers. The report examines short-term and medium-term factors. It comments that over the short-term the industry could easily expand production by 15 per cent but beyond that there could be materials, manpower and financial constraints. These inherent weaknesses in the industry could be partially overcome, it is suggested by joint buying of materials by member companies and by stepping up the training of design engineers, of which there is a paucity.

To help increase working capital required to raise production, NEDC suggests that companies should be allowed to write off deferred tax liabilities arising from tax relief on stock appreciation, and also that the

U.K. where, according to a recent Fortune magazine survey, almost three-quarters of executives surveyed feel that the costs of most modern office machines are more than offset

U.K. OFFICE EQUIPMENT SALES

Sector	1975	% of total	1974	% Change 1975 on 1974
Computers	589	50	52	+13
Office Machines	152	13	152	—
Copiers, Microfilm	73	6	73	—
Dictating Equipment	3.2	—	6.5	-50
Private Telephone Exchanges	57	5	41	+40
Furniture	65	6	7	-8
Stationery	238	20	233	+2
TOTAL	1,177.2	—	1,097.5	+7.3

low net profit reference levels in this high risk industry should be increased in the Price Code.

It remains to be seen whether these basic changes will be made, or whether the initiative will simply die. If the changes are made there will be an important stimulus. But whether they are made or not, the long-term problems of the industry require even more fundamental changes.

The demise of Imperial Typewriters and the more recent struggles of Gross Cash Registers are only two examples of the difficulties facing the U.K. industry. But it is not just the manufacturers at fault—the absence of rapid innovation reflects the users' stodginess in refusing to buy more advanced office machinery.

This contrasts strongly with the U.S. where, according to a recent Fortune magazine survey, almost three-quarters of executives surveyed feel that the costs of most modern office machines are more than offset

better marketing skills, which in this industry is often more expensive than product development and manufacture. To help British-owned companies NEDC recommends exemption from the leading lights in the industry. It remains to be seen what follow-up, if any, there is.

The third point involves venture capital for small companies, and export finance. The report makes clear that some (unnamed) City institutions have a poor image in the industry and that stronger support is required to provide small firms with adequate risk capital. The industry is also highly critical of the U.K.'s export credit facility, claiming that it is more expensive than in other countries, and here the NEDC again agree some review is necessary.

The NEDC report warns that the U.K. industry might have to resort to its exports on the less developed markets, while at home it becomes merely an assembly stage for imported electronic components, with a resulting low value added of U.K. manufacture.

Four basic steps are recommended to help develop the market, both at home and abroad. First, to increase the amount of money available for research and development, including Government aid. This could be supplemented by other initiatives such as creating more useful statistics (for too long a sore point), encouraging joint ventures between marketing companies and technological companies, and ensuring compatibility of office machines between manufacturers, another long-time clamour.

The second step is to develop

The NEDC report, which was published in July, was drawn up by a committee of Government and trade union representatives as well as some of the leading lights in the industry. It remains to be seen what follow-up, if any, there is.

That a change in the industry is required is certain. But no amount of Government assistance can bring about significant change without a complementary change in the attitude of businessmen. What has been lacking in the U.K. is the urge to modernise the office, even to consider it as an important cost centre where significant productivity gains can be made.

There is a real danger that if businessmen's attitudes do not change, Britain will be left behind in the race towards the efficient office. But it is not just equipment that is important. As always, it is people who are the predominant factor. Installing electronic machines will not produce the expected productivity gains if the staff are not fully behind the effort, and there are signs that employees and their trade unions (who are becoming more militant in the white collar sector) are reacting against modernisation.

Invariably the cause of the reaction is lack of consultation by management (which arouses the unions, particularly where outright redundancies are made) and lack of effort to make employees' jobs interesting. Used properly, modern equipment like word processing can release staff from many of the boring routines—but management must show the insight to create alternative tasks that

are productive as well as challenging. And it is this which is the real difficulty.

There is another dimension in keeping staff happy which is equally important in an age when certain office skills are still in short supply. And that is creating the right kind of environment in the office. It is here that design and furniture can contribute an essential ingredient in building a place that people can feel comfortable in—the "hygiene" factor that acts as an important employee perk.

Trend

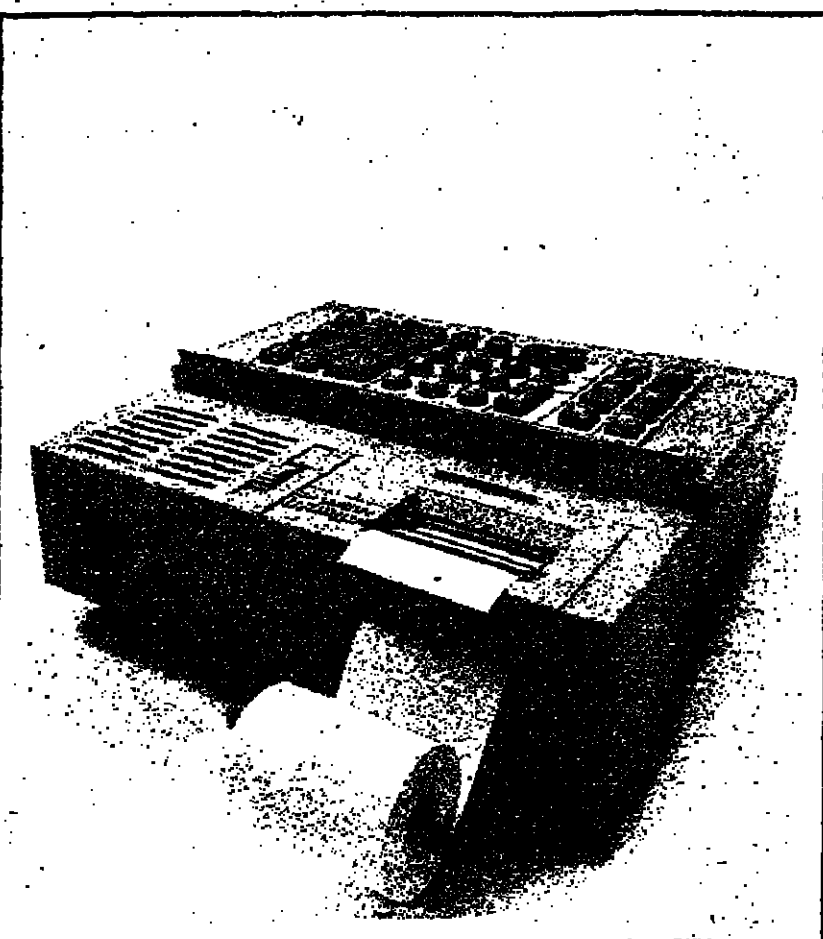
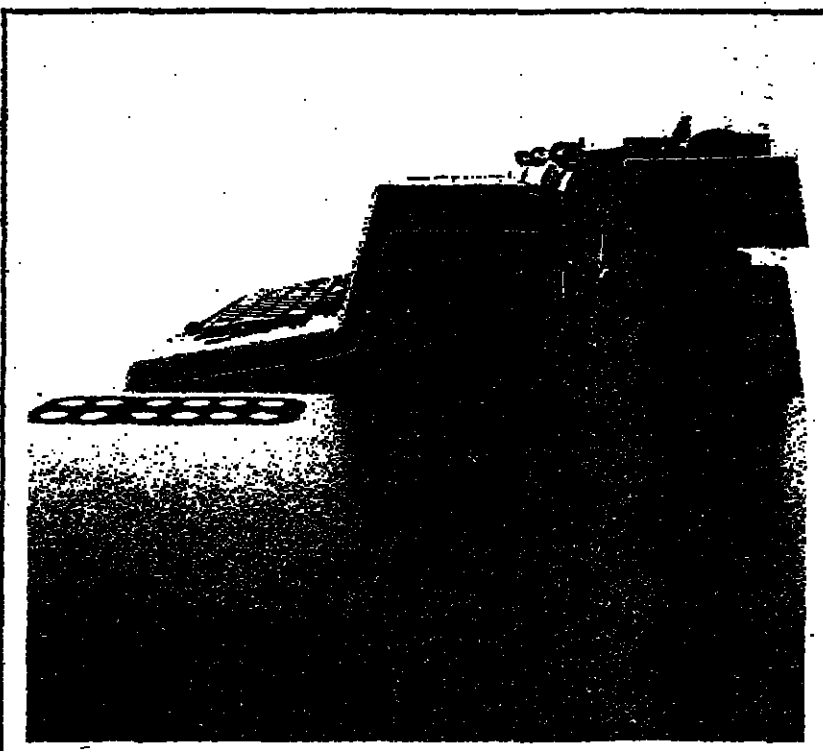
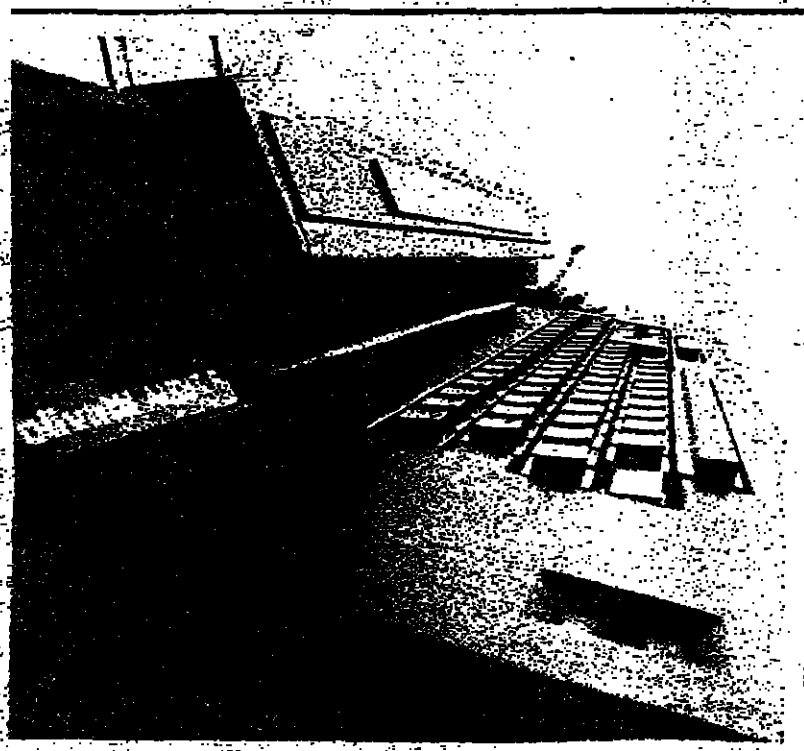
There is a general trend towards open plan offices which in itself is not a bad thing, provided the design is not only functional but bright and comfortable as well, and that the furniture matches the style. To-day's new furniture is point-of-view machines will not produce the expected productivity gains if the staff are not fully behind the effort, and there are signs that employees and their trade unions (who are becoming more militant in the white collar sector) are reacting against modernisation.

Then, of course, there is the important new element of ergonomics, ensuring that people do not get tired sitting down or moving around. That, at least, is the theory. In practice it is alarming to see that unit sales of "adjustable seating" fell by over a quarter last year, while sales on "non-adjustable seating" fell by much less. It is clear that top management must give its full attention to modernising the office or face the consequences of falling productivity and rising staff unrest.

Urgency

Finally, and perhaps of the most urgency for the industry, the report suggests a review of Government buying policy which should be directed towards stimulating new technology as well as the indigenous manufacturing base. Sector of the industry have for many years been complaining that the Government in not "Buying British" fails to give the support that other industries abroad enjoy from their governments.

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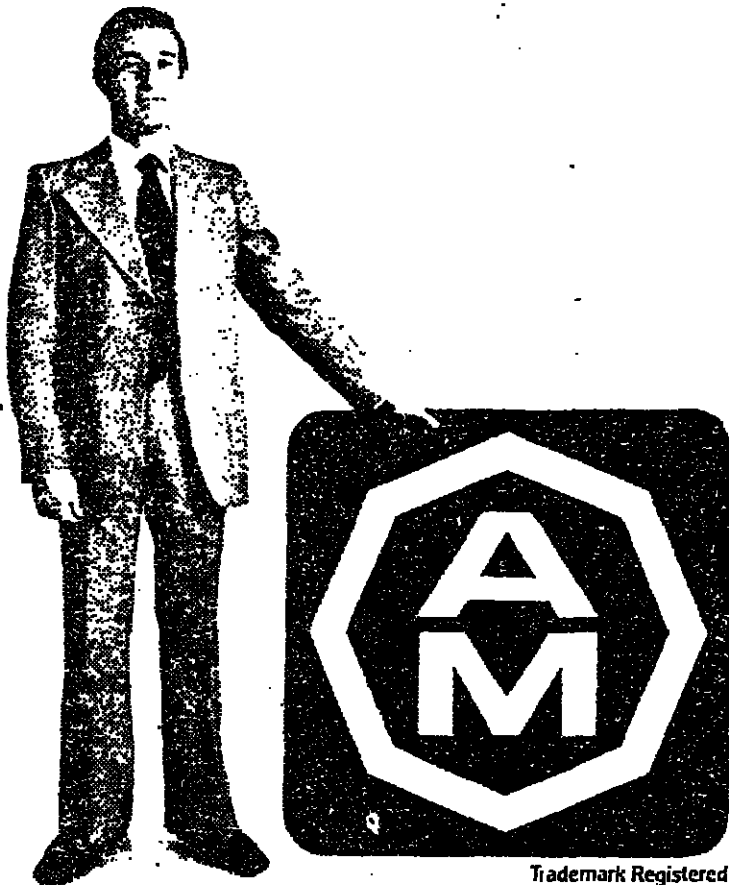
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OFFICE EQUIPMENT II

Dictating to the market

ALTHOUGH THE U.K. lags behind the U.S. and Germany in implementing the latest technology in office equipment (and thereby suffers by having lower productivity in its offices), dictating equipment is one area in which this country leads the world, at least as far as market penetration is concerned. This is true even though there is now only one indigenous British manufacturer of this type of equipment left, Agovox, based in Norwich.

Philips, for instance, which dominates the market with its comprehensive range of mini-cassette-based dictating equipment, reckons to have installed over 650,000 machines in the U.K. Having recently introduced a range of centralised dictation systems, the group is about to bring its word processing system onto the U.K. market. Its large installed base of dictating equipment will be an obvious benefit in the U.K. since whereas dictating equipment is considered as the "word input" machinery, WP equipment is thought of as the "word output." To that extent, the two systems share the same philosophy—saving overheads in correspondence.

According to a survey done by IBM, the average business executive or principal spends just under a tenth of his time (8.4 per cent.) dictating a letter in the U.S., although the market of report. Significant savings can be made using dictation equipment, provided that the systems are introduced in the proper way, are efficiently organised, and that staff is properly trained. The machines themselves cannot contribute to improved productivity unless the staff is happy using them and is properly organised. This

Common

Yet it is common to find that the average output per day jumps to something over 800 words a day when centralised dictation systems are used. Furthermore, the turnaround time (that is, the time it takes to produce a letter ready for signature) once it has been dictated) often improves from around five hours to nearer two hours.

A recent survey in Fortune magazine showed that dictation by machine was not that popular in the U.S., although the market was developing quickly, especially in centralised systems. Three-quarters of the respondents reported that they dictate some or all of their office correspondence—almost nine in ten among top management and seven in ten in middle management. Dictation directly to a secretary's shorthand remains the dominant mode (58 per

cent.). Only a third recorded nature of the work into dictating equipment, be it stand-alone or centralised. However, dictation outside the respondent's office was practised by 39 per cent., most frequently on a portable dictating unit.

A survey conducted in Europe by Mackintosh Consultants and the Institute of Text Processing showed that 60-70 per cent. of all letters are still handwritten (even where the company does have dictating equipment) for the following reasons: lack of coaching in effective use of the machines, failure to consult prospective users by the central buying department, and lack of transcription-trained typists.

The total U.K. market for dictating equipment is reckoned at between £12m. and £13m. a year. Because prices have at least kept pace with inflation in most categories, the value of the market has grown. But in volume terms there has again been contraction, even after the severe recession of 1974. Indeed, dictating equipment has been one of the severest hit in the office equipment market. Unfortunately, this type of machinery becomes one of the first casualties in a recession, even though the arguments for their use (higher productivity in producing correspondence) should theoretically gain credence when things are bad. As always, the budget slashing in recession is the main cause of the downswing in demand.

However, one sector which has shown some resilience is centralised dictation systems. Because of the higher unit costs, the order and delivery cycle is normally longer than with the desk top or portable units. Furthermore, the market has to some extent benefited from the marketing of word processing systems, since the two can operate side by side. One of the changes in the U.K. market has been the gradual drying up of traditional sources of demand, that is, from government and local authorities. Instead, some manufacturers have recently noticed a renewed demand from industry, in particular the oil and other big industrial groups.

Despite the recession in recent years, there are a number of new companies marketing equipment in the U.K. Haemund Elektronik of Germany is one, while Lanier of the U.S. is another. Lanier has a full range from portables through desk top to telecommunication systems and their machines are based on tape cassettes. Agovox has recently added cassettes to its range of disc-based systems. Basically, disc is more comprehensive and provides the means to make annotations about the volume and

Productive

IBM's view now is that becomes more fulfilling. It is split into small work groups and large paper factories. The word processing and the equipment is made to match message. IBM does acknowledge its advertising literature. "Using a microphone may be less appeal than dictating secretary." However, it's "But it does help to make use of your time, and secretary's." Its portable costs £387, putting it in the upper price bracket in the market. But one big benefit is up to 25 disks can be used in the base of the portable. Dictaphone reckons it has under half of the U.K. used dictation market, and increasing success of its Tank, using the direct link cable where at least two cassettes are "on line" to one of its U.S. parent released the Thought Machine the first U.S. made cassette transcription system. The attractive feature here is push button controls, no mechanical switches. It sells \$230. Other major companies in the U.K. include Olympia, Mann and Grundig.

Roy Lee

A modern mailroom

THERE ARE two aspects to a modern mailroom: organisation and equipment. There is little advantage in having an up-to-date mailroom if the rest of the company is not properly organised and involved. Nor if the mailroom is inadequately staffed. On the other hand, any amount of organisation will not avoid the need to have at least some of the new equipment in order to be able to run an efficient and security-conscious mail operation.

On the organisation side, the mailroom has long been the Cinderella of a business. Two things have happened in recent years to bring the attention of top management to the problems of the mailroom. One is the sudden and vigorous price rises announced by the Post Office which have more than doubled the cost of post. This has created the need for organisations to examine their mailing requirements and to see if they can cut costs and streamline the entire operation. The second factor has to do with the bombings in Britain, which has led to the need to install the proper security in the mail room. For this, tight organisation and proper equipment is essential, for in this area management are not only dealing with the profit and loss account but also with human lives.

One of the first steps a company should take in re-organising its mailroom is to appoint the right kind of personnel. It is simply not enough to appoint old use pensioners or poor performance employees into the mailroom. Experienced and intelligent staff are required and they should be given appropriate responsibility, too. The next step is to consider whether the mailroom is properly sited and that the lines of communication between it and other parts of the building work adequately. It is usual to locate the mailroom at ground level and at a point where transferring mail to and from a Post Office van is both efficient and safe in security terms. Finally, appointing an experienced office manager, the management must give him proper responsibility and an appropriate budget.

Mailroom equipment is not generally expensive and the right combination of machines can be bought or leased without too much expense, depending naturally on the size of the company and the volume of the mail operation. A direct mail or credit card operation obviously requires more equipment than the normal trading concern. One of the best users' guide, called "Mailing For Profit" has been published by the Business Equipment Trade Association. This describes a typical mailroom installation as consisting of a letter opener, a collator, a folder, an inserter, a combination collating, folding and inserting machine, a sealing machine, a postal franking machine, postal scales and balances, and finally, an addressing machine.

To start at the end, there are four types of addressing machines: stencil, spirit, plate, and foil plate. The first three processors are self-explanatory while the foil plate system uses a thin piece of specially tempered metal alloy on to which the address is typed. The foils are then mounted on a metal carrier plate or adhered to a ledger or record card. Callipers are used to avoid having to cut documents together in a predetermining order by hand. The machines cost anything from £100 to several thousands of pounds, depending on the capacity and of communication between it and

CONTINUED ON NEXT PAGE

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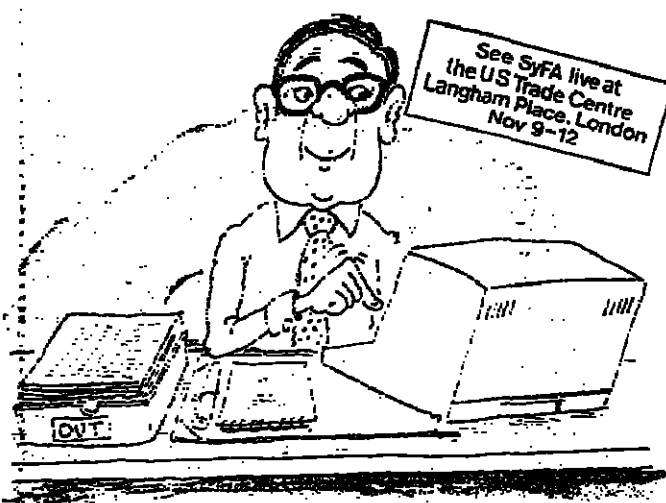
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Computers for the small man

NOT SO long ago, the small business operator would not have dreamt of buying and using his own computer. Now, the lower end of the market is so ardently wooed by such a variety of manufacturers that a massive expansion in user numbers is confidently predicted.

By 1986 there will be, according to the pundits, a million new users of small business computers in Europe and the U.S. Since this represents a £250m market of which more than half would be in Europe it is hardly surprising to see manufacturers who ten years ago would not have contemplated building equipment for less than £250,000 avidly seeking business with equipment costing less than a tenth of that.

But the appearance of vast new markets is only part of the story. The small computer boom is also directly attributable to the feverish activity in the development of the compact computer on a few—sometimes on—printed circuit board, highly amenable to mass manufacture and at the outset intended to be sold merely as "just another component" albeit an extremely versatile one, to solve engineering and process control problems.

It did not take the entrepreneurs long to see what these small machines could do in business applications, either as compact local processors of routine work such as stock control, goods quality recording, invoicing and so on, or as fully-fledged computers doing most if not all the various accounting and management jobs a businessman even with a mere handful of employees still has to do. Constantly growing demands for detailed information from an increasingly

massive bureaucracy and inflation of wages helped the trend. In the meantime the designers of electronic circuits were not standing still. They crowded more and more power into their logic and memory devices so that the makers of minicomputers rapidly became able to challenge quite large conventional machines on speed and cost-effectiveness and also provide an alternative for the user with a comparatively light data processing load to using a link to a service bureau—even an office junior on a bike carrying source material for processing there.

There is a "small users" group within NCC, but the ground it covers depends what one calls "small" now that the lower edge of the market has gone below the £4,000 level. The danger is that people will not devote the time needed to talk with disinterested experts about their problems and their intentions. Both need to be examined in great detail if a good choice is to be made.

It would be ideal if there were a centre in every major town where businessmen congregate—at which information could be provided on this particular problem. Some argue that nobody wants to mix golf and computing but that is not so. Be that as it may, there is an obvious national need for easily accessible information on the use of the new business equipment, totally divorced from manufacturer influence. What these centres would provide must run along quite simple lines, telling the neophyte in non-jargon terms that to move into computerised operations means a complete change of company life: that product A may be very cheap but product B carries far more fully-tested operating routines and a better

chance of prompt service should anything go wrong; that product C is the basic minimum to do the job, but since the user does not intend to get involved in any extension of computing, it will do very well and so on. Above all, the centres should make it easy for people to go and visit other users who have installations up and running and learn from them, at first hand, what to avoid and what to demand of the suppliers, including a bill of financial health so that it can be assumed they will be around for some time.

It is no accident that consultancy in the service company sector is doing so well. But consultants and existing NCC services would be totally overwhelmed if all those who should take advice and/or instruction actually did so.

The problem will not become easier. Because the micro-computer is so cheap and small magnetic memory discs, display units and printers have dropped sharply in price many more people will be attracted into the business of putting them together and calling the result of their efforts a new "boom to management."

Of course, some users have given up the unequal contest and have left it to the experts to design, install and run their computing centres. This hands-off solution, generally called

facilities management, has not caught on as quickly as at one time predicted. Understandably, a man who has built up his own business from scratch is unlikely to look kindly on handing over the handling of vital information to a third party over whom and whose equipment he has no control.

It is possible to walk into shops in many U.S. cities and buy a do-it-yourself computing kit for under \$200 that can be turned into equipment as powerful in terms of work performance as the machines universities were installing with great pomp and circumstance (and at enormous cost) during the first post-war decade.

This means, just as in the first instance, that more people will have to have first-hand knowledge of the machines in the offices and that manufacturers in turn will have to concentrate harder still on making their equipment "people friendly."

This is a graphic term, invented by Hewlett-Packard to describe an approach to keyboard and operating routine design so that the user is guided through a sequence of key-pushing and warned if an erroneous command has been given.

With the advent of the micro-processor at low cost it is possible now to foresee a time when completely untrained staff will be able to enter complex details of a business transaction without errors. What that will mean in offices where automation of other equipment is progressing by leaps and bounds is probably not within the scope of this article or survey. Social psychologists should give the prospect some attention.

Ted Schoeters

OFFICE EQUIPMENT IV

Hardware

The moral is that the kit or hardware itself is now almost negligible as part of the total system cost. The user investment lies in the hours of specialised work needed to turn his requirements into quick, practical instructions to the equipment. This area of packaged instructions more than any other will pay for very close investigation, study and consultation.

Little of the foregoing needs modification where a branch of a company is given a small processor or intelligent terminal on which to run its local operations, though this case does pre-

Microfilm for saving space

ONE OF the most popular office equipment exhibitions in Britain is Microfilm, reflecting in part the impressive growth of this market even during the recession. Microfilm Europe '76 is being held at the Wembley Conference Centre and from all accounts there will be a record number of exhibitors. The show opens on October 26 and carries on for four days.

Not surprisingly, the emphasis of the show will be on the use of film rather than paper to generate and store information. It is the enormous paper and space saving characteristics of microfilm that has made it the most successful sector of the whole office equipment industry over the past few years. A particular feature of the show will be the large number of COM units (Computer Output to Microfilm). These can save overheads by eliminating the needs for the estimated 200 tons of computer paper used each year in business.

Another feature of the show will be seminars for beginners, giving case histories and also providing user workshops. The success of microfilm in recent years is due to its reduction capability. The microimage appearing on a film can be from one-fifth to 1/22,500th of the size of the original document. This is where the bulk of the cost savings come. By converting paper files to microfilm a company can save up to 90 per cent. of the space used to file its documents, thus contributing to an impressive rent saving. In addition, retrieval of information can be more efficient and security can be improved too.

Information can be recorded on a film roll or microfiche. The advantage of roll is that the information follows sequentially and is normally used for archival records. Roll film readers, however, are normally more expensive because of the winding mechanism. Microfiche (a sheet of film holding tiny images of over 200 pages at a reduction of 42 times) is more flexible and allows for easier retrieval, accounting for about 70 per cent. of the market.

The equipment required to run a microfilm operation in the office can include a camera to film the documents; a supply of film; a facility for film processing, storage cabinets, microfilm readers, printers, duplicators and enlarged printers. Naturally some of the processing can be contracted out to special bureaux, of which there are quite a number in the U.K. The cost of some of the equipment, such as readers, has been falling in recent years as the market expands and production costs fall. It is feasible for a small company to have its own microfilm unit, without processors, for about £4,000. At the other extreme there is one installation in the U.K. that costs nearly £1m.

The price of film depends to some extent on the price of silver on world markets. For duplicating diazo films are less expensive and versatiles films even cheaper. It is estimated that the worldwide value of the microfilm market at the end of 1975 was some \$800m. (£473m.) for equipment, supplies and services. About half of that is in the U.S. and the rest mainly in Europe and Japan. The U.S. Government is reckoned to be the world's largest user, accounting for perhaps 30 per cent. of the U.S. market. Indeed, the U.S. Army is experimenting with a microfilm personnel records system that could become the largest installation in the world. The U.S. internal revenue service allows records to be kept on microfilm and in an increasing number of countries microfilm is being accepted as legal evidence. The market in the U.K. is estimated at around £25m. a year and one of the fastest growth sectors is COM.

One of the problems of using computers is how to disseminate information stored on magnetic discs. Paper reels are costly, bulky to store and expensive to post. And the transfer of data from disc to paper by printer is slow in relation to the speed of the computer. COM is a process of rapidly putting data processed on a computer directly on to microfilm without the need for an intermediate stage on paper.

The biggest users of COM in the U.K. are the financial institutions, which keep volumes of information in computers requiring continual updating for their branches. The Allied Irish Banks, for instance, which installed a £130,000 Bell and Howell COM system, reckons savings on paper, space and postage will pay for the installation in two years. It cites the

example that the cost of producing the equivalent of 1,000 pages of information is 12p per copy after the master sheet has been made for 25p. The cost of continuous stationery is £4 per 1,000 sheets. Some of the U.K. banks, like Midland, rent their COM equipment.

The decision to buy or use bureaux really depends on the monthly volume and the degree of security and convenience required. One drawback with COM is that for maximum productivity it is necessary to have the information in the right sequence before the microfilm is processed. This can be done on the computer or separately on an adjacent minicomputer. The reverse process of COM is CIM, or Computer Input from Microfilm. COM deals with the conversion of computerised information into human readable form, but there is also a need to convert large paper files for computers, so that the data can be edited and disseminated.

Data

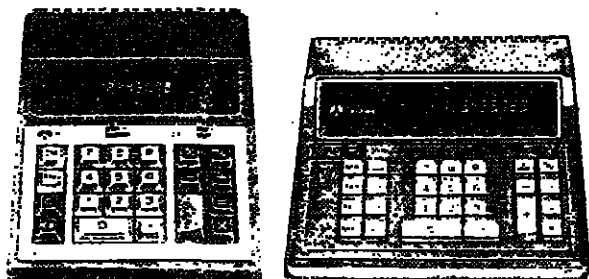
This is what CIM does by converting human readable data into digital form. The only U.K. installation is being used by the Government in a pilot study at the Department of Health and Social Security in the Newcastle pensions record department. Although the equipment cost an estimated £1m, the equipment could bring substantial savings in overheads.

In the U.S. COM technology has been taken several steps forward. Last year the first commercial laser beam COM recorder was put on the market, as was the first updatable microfilm. In addition, a working but not commercially available erasable microfilm was introduced. Companies that are interested in installing their own microfilm unit, and people who want to digest the technology should visit this year's Microforum where the major companies will be exhibiting. Those who want to use a handy guide could do worse than start off with the "1976-77 International Microfilm Source Book" which deals with suppliers, service and COM bureaux micropublishers and consultants on a world-wide basis. It is available at \$32.50 from Microfilm Publishing, P.O. Box 313, Wykagyl Station, New Rochelle, New York 10804, U.S.A.

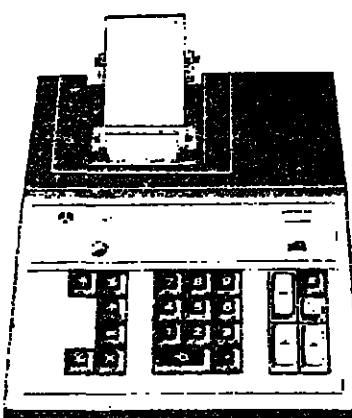
R.I.

For Rockwell, no business problem is too big.

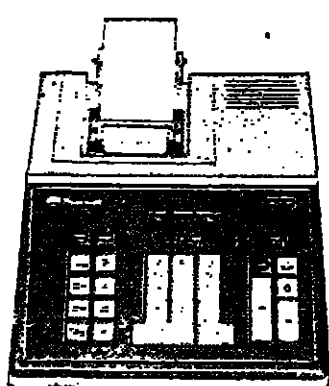
When you've supplied the micro-electronics know-how that's helped put man on the moon, you know a thing or two about large calculating problems. That's why when it comes to developing a complete range of desk top calculators to deal with complex or routine business problems, there's probably no one quite as well qualified as Rockwell.



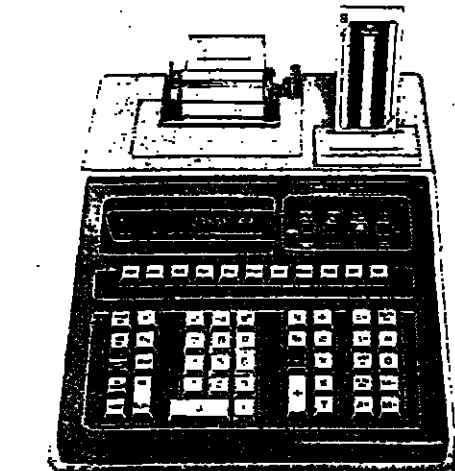
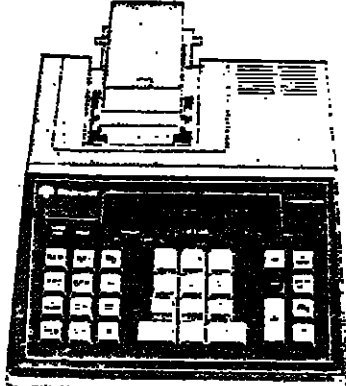
Desk top display models include the 8-digit 310 at only £45 and the 12-digit 320 with independent memory at £59.



212P desk top digit printer at £79. The ideal adding machine replacement.



400 series 12-digit desk top printers range from the 425P with accumulating memory model at £89 to the 475P/D combined printer/display with 16 step programming option.

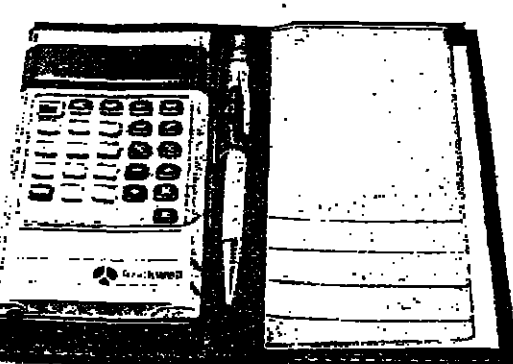
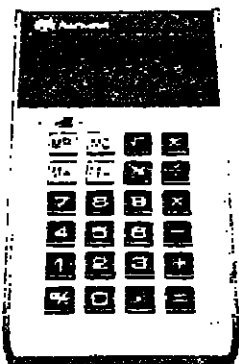
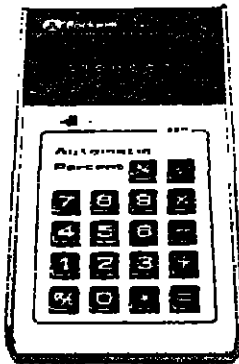


The 900 series programmable desk top calculators incorporate as basic features 14-digit print and display integral magnetic card reader and upwards of 41 memories and 448 program steps.

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OFFICE EQUIPMENT V

مكتبة الأعمال

Costs restrict the copier

RECESSION has certainly raised its prices last October impact on the copier market. Sales of copiers as consumables have been by the mood in business. Instead of the recession element present in many businesses translated: the number of copiers is increasing, but the number of copiers is decreasing. There is an awareness of the bill can be paid for some form of copier. Figures of deliveries in the first quarter of this year show that the market is still expanding, despite fears of saturation. According to some estimates only about 50 per cent of U.K. businesses own any form of reprographic machines. Furthermore the trend is towards plain paper copiers (PPCs) so that the fact that the installed base is split half-and-half between PPCs and coated paper copiers gives them some cause for encouragement.

Share

In the meantime the price of copiers has been falling. This is not surprising in a year of economic recession there has been an increase in demand for stencil duplicating, which is cheap and involves no real capital expenditure. Thus this year's figures are likely to look better than the £4m. for spirit and stencil sales in the U.K. for 1975.

The market in offset duplicating has been keenly competitive with some discounts being given. This U.K. market also turned down in 1975 to £9.1m. (£13.1m.) and another fall would not be surprising this year.

The impact of the recession, both in the U.K. and elsewhere, has been rather more severe than most people forecast. A lot of figures for equipment sales supplies are banded around in the industry, but unfortunately these cannot be tied up with official statistics, which are rare. Some of them are worth quoting just for the record. According to a survey of the European copying and

to get the machine to suit the exact requirements of your firm sector. Already, it has made and to compare prices at the sort of monthly volumes you estimate. It is still a buyers' market, and that kind of effort will pay there have been few takers.

Other estimates show that on a world-wide basis revenues are expected to grow from \$5.1bn. to \$11.8bn. by 1980. Significantly, Xerox's share is forecast to drop from 75.5 per cent to 62 per cent, while IBM's goes up from 8.4 per cent to 13.3 per cent.

Difficult

Whatever the figures turn out to be, there is clearly going to be an increasing need over the long-term for copiers. This is one of the most difficult and confusing markets in the office equipment industry, because rental structures are so confusing and price structures difficult to compare. For this reason, it is difficult to know whether you are getting the best deal on the market. For this reason, too, many of the selling companies stress convenience rather than ultimate copy cost. But their point is only partially valid.

It is worthwhile shopping around in the market place both

mission report on its market sector. Already, it has made and to compare prices at the sort of monthly volumes you estimate. It is still a buyers' market, and that kind of effort will pay there have been few takers.

IBM's new Copier III range challenged the American and brings it into high volume copying for the first time. The document copying market with attractions of the eight models in this range are high speed (up to 4,500 copies an hour with the first copy ready in 4.5 seconds), duplexing (that is, copying on both sides of the paper—a need for between 7-9 per cent of copies, according to IBM), reduction facilities and optional colorators which add greatly to productivity.

While IBM goes into high volume copying, Rank Xerox is entering the high volume duplicating market with its Xerox 9200 duplicating system. The target market is the in-house reproduction department of companies which produce over 400,000 copies a month, usually on two or more duplicating machines. The 9200 operates at speeds of 7,200 copies an hour with the ability to collate as many as 999 sets.

The company hopes to place over 1,000 machines this year, although outside forecasts range from 660 to 1,200. The success of the 9200 is crucial to Rank Xerox whose profits last year dropped by 6 per cent (the first ever profit fall) and which is facing publication soon of the Monopolies Com-



'Icarus found out the hard way'

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R.L.

Printing methods

in for space

SPIRALLING cost of the printing industry has without a doubt been attributable to the advent of the fast table-top offset duplicator. The success of this market has prompted a number of manufacturers to step up their activity in smaller offset machines. Gestetner has made considerable inroads into the area and in 1975 they sold more offset machines than in any other year and the company is continuing to extend its coverage by market and product range.

Automated

Rotaprint in the past specialised more on the larger offset machines for the general printing houses and specialist printer, but of late there has been a greater move into the office equipment market. Its PTRS is fully automated and costs about £2,000 but this machine also comes with a Toshiba plain paper copier, a desensitizer and a Norlin Sorter, a system marketed for around £5,000. Others aiming for this market include Addressograph-Multigraph, A.B. Dick and Osmid with its new Electralite D duplicator.

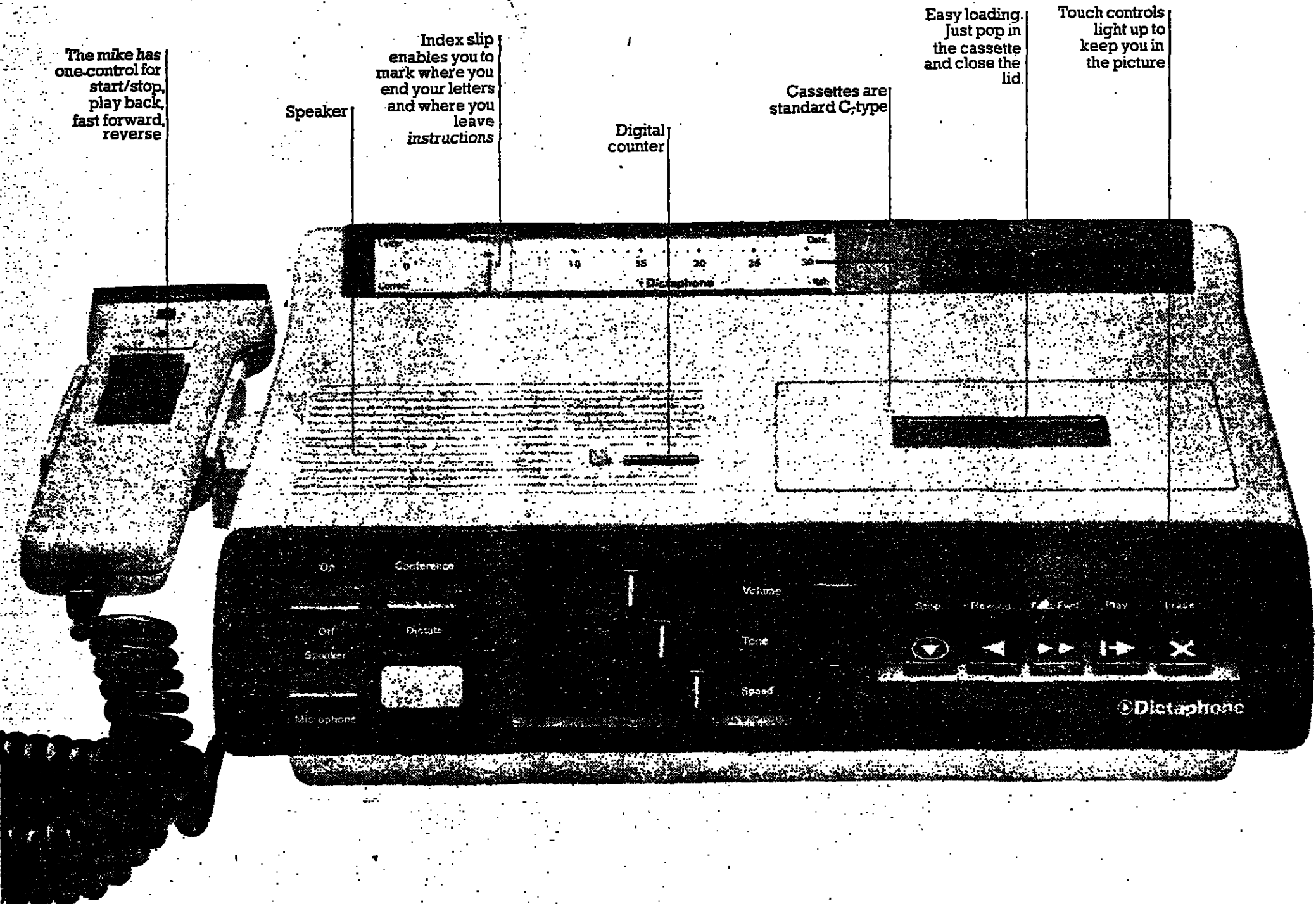
All these companies have been successfully gearing up to produce the smaller table-top offset equipment over the past three years but now they are being faced with a significant slowdown in demand with the trend moving across to the stencil equipment. Gestetner noticed a marked drop in demand for offset machines in the first seven months of the current year. But there has been some improvement in the market more recently and the 1976 is beginning to sell. While there may now be some improvement in demand for offset equipment there could be some competition from the Xerox 9200 which gives a high standard of reproduction for reprography although still falling short of the quality of print offered by an offset litho machine using film or metal plates.

Much, of course, depends on the usage for the 9200 and it is not reckoned to be economical under 200,000 copies a month. This factor together with the slightly inferior printing quality is bound to limit the market for the 9200 and original outside estimates were looking for about 1,000 units to be placed in 1975-7. But the recession which has taken its toll on the offset market must surely have had a similar effect on the 9200. Indeed Xerox agrees that it is early days yet. But the bulk of companies that operate in-house printing are relatively small and for these a hefty capital investment on an offset machine is an important decision. This is where the 9200 could score. But even here the contract is an annual one with a rental charge of about £1,000 excluding paper with a use of about 200,000 copies a month.

Anyway whatever type of printing equipment best fits the bill the improvement in production techniques both in speed and quality coupled with the continuing rise in outside printing costs is bound to make this sector one of the better growth areas in the office equipment field.

David Wright

Dictaphone introduces the Thought Master dictating machine.



The mike has one control for start/stop, play back, fast forward, reverse

Index slip enables you to mark where you end your letters and where you leave instructions

Cassettes are standard C-type

Easy loading just pop in the cassette and close the lid

Touch controls light up to keep you in the picture

The neat design and new features of the Thought Master make this latest new dictating machine from Dictaphone as helpful to your secretary as it is to you. There is a speed control to slow you down however fast talking you are. And the special index slip saves typing a letter only to find you've left instructions to alter it further along the tape. Reproduction is crystal clear. Even numbers can sound like they're fresh from elocution school.

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OFFICE EQUIPMENT VI

Monitoring flexible working hours

ONE OF the major developments in office management over the past few years has been the rapid spread of flexible working hours, the system whereby employees are given the responsibility to determine their arriving and leaving times but are at work during essential "core" times.

The system, which effectively began in the U.K. in 1971, now embraces well over 500,000 employees in all types of companies. And, with the Civil Service recently given the go-ahead to switch the bulk of its three-quarters of a million employees on to the system—after extensive trials during the past few years—more than a million workers will soon be enjoying the benefits of flexible working hours.

While such projected growth rates will undoubtedly have considerable social and economic implications—the pattern of public transport, for example, will change drastically—it represents a major market for the specialist office equipment manufacturers who provide the sophisticated time-recording systems essential to maintain a fair flexible hours system.

Potential

On average, the cost of installing equipment to monitor hours worked works out at approximately £10 per person. Thus a potential market of 13m. workers represents a sizeable capital investment—a fact which has drawn in over 20 companies who offer recording devices and systems with varying degrees of sophistication. The recent Civil Service contract for flexible working hours equipment is worth about £300,000 over the next three years.

The time recording equipment most often used consists of small units which can be situated within departments. Each worker has a personal coded key which he slots in when he starts work. The units do not record times of arrival and departure, only the number of time units worked.

The major companies operating in this area are Hengstler

Flexitime, probably the first in the field in the U.K., and still keen to promote the philosophy of flexible working hours, Hasler, ARC Europa, and Telephone Rentals.

So far the main areas where systems operate are insurance, local authorities, the Civil Service, and laboratories. Over 90 per cent of applications involve only white-collar workers, with shop-floor workers in a minority, although flexible working hours in production areas is a growing market.

While the concept of flexible working hours is basically simple, in practice schemes have to be tailored to the requirements of each organisation. A typical example of flexible working hours would be where employees could start work at any time between 8 a.m. and 10 a.m. and could leave any time between 4.30 p.m. and 7 p.m. A lunch break of at least half an hour and at most two hours could be taken between noon and 2.30 p.m.

Thus core time, when the employee must be present, would be 10 a.m. to noon and 2.30 p.m. to 4.30 p.m.

In practice there is considerable variation from one organisation to another. Some have a fixed lunch break, others do not. Starting and finishing times vary and so do the lengths of the flexible time bands at the beginning and end of the day, which can be anything from from half an hour to two and a half hours.

The majority of FWH systems allow employees to build up a credit or a debit of a certain number of hours during any one accounting period. This balance is then carried over to the next period when time can be taken off or made up accordingly. It is usual to limit the carry-over to ten hours but it can be five, seven, or any number of hours.

Some companies allow a

larger credit than debit balance to be carried over. While some companies do not allow accumulated hours to be taken off during core time, others allow employees a half or whole day off, provided that it is arranged in advance.

Although many companies first introduced FWH as a bonus to staff and as a fringe-benefit to help recruitment, it has become clear that there are many other advantages accruing to a company. A recent British Institute of Management survey on FWH concluded that most employers thought that labour turnover and one-day absenteeism had been cut. Many also added that they thought flexible working hours were a major aid to recruitment and retention of staff and they helped to improve the general industrial relations climate within a company.

Economies

Quantifying these economies (at least those that can be quantified) reveal that it is feasible to recoup the cost of installing recording equipment within a year. Although a manual, pencil and paper system may appear to be cheaper than installing equipment, a recent Internal Civil Service study found that, over a ten year period, high administrative costs made the manual system over 14 times more expensive than installing and running meter recording devices. (About £400 per head for the period compared with around £30.)

Within the more usual specialist equipment applications, there are three main varieties. The most obvious form of mechanical time recording is the clock-in machine which has been in widespread use for many years. These clocks, which stamp each employee's card with his or her times of arrival

and departure, can be adapted for FWH. In fact, it is quite possible to use the traditional type of machine for flexible hours in a comparatively small organisation, where there are not too many cards to be scanned to see that employees have been present during core time. The machines made specially for recording flexible hours usually print core time in a second colour, so any infringement can be spotted quickly, and they can be arranged so that debit and credit hours can be calculated as easily as possible. The new machines are programmed not to overstamp a previous clocking which can happen when FWH is introduced with the old machines that are set to move from the "In" position to the "Out" position at fixed times. But the main problem is that, like the manual paper system, it requires a great deal of expensive clerical work to do the reconciliation.

The second main equipment system is use of a meter. The principle behind metered time recording is that, for the purposes of FWH, it is necessary to know the number of hours each person has worked, not which hours. Some people feel that there is a stigma attached to clocking in and out and it is to overcome this objection that meters have been developed.

The third method is computer-based and centralised and this tends to be practical in large organisations. The data collected on working hours can be used for other purposes, mainly to calculate the payroll.

But the vital point about FWH is that whatever time recording system is adopted, it is the commitment to the philosophy behind the giving of greater responsibility to staff that counts. And that is where the greatest returns can be made.

David Churchill

Calculators by the million

RECENTLY AN acquaintance of mine needed to lay floor coverings in a bungalow. Armed with exact, treble-checked details of the dimensions of four floors, two for carpet and two for lino, he went to the local centre, chose the pattern he liked and told the shop assistant to go ahead.

A calculator appeared as if by magic and, after the assistant had made several unsuccessful attempts at the two operations, an area and a sum of money was indicated as correct. Acquaintance paid. Carpet and lino were delivered. He now has a nice 11 x 9 feet of carpet for sale plus a large area of lino offcuts.

The assistant probably multiplied yards and incorrect decimals of yards by metres and the moral is that if calculators are to be used in a specific job, they must be the right ones for that job. The assistant could hardly have gone wrong with a machine able to cope with Imperial/metric and would have performed prodigies of speed with one of the latest machines which can calculate in fractions as well as decimals.

Versatility of calculators is increasing and there is no excuse for wrong equipment choices, as they can have extremely wasteful and expensive consequences. This particular case, with most goods now made in metric but most customers submitting requirements in feet and inches, is not exceptional.

Price attrition in the market is continuing and surviving manufacturers describe it as "mature," claiming to have recovered, the losses—sometimes severe—of the last financial year. Many of the new products have been changed for cosmetic reasons, or to give them an easier handle, or make them truly "pocket" calculators. This is still largely to the users' benefit.

Meanwhile, some machines are being given a formidable work capacity, even in mid-price range hand-held form. CBM's financial rechargeable, for instance, will handle compounded interest amount and annuity problems, mortgage and yield questions, present and future values and effective rates, etc.

Its companion advanced scientific machine provides 90 functions in 40 keys including such exotics as integration, binomial distribution, probability, mean and standard deviation, and it has 12 commonly-used conversions. The basic calculator logic chip is becoming much more

powerful and for the more complex calculators is now little different from a computer on a chip. For the smallest machines, progress has been towards placing all the functions—calculation, display control and residuals—on the same circuit. This gives a much simpler internal layout with drop in manufacturing cost and considerable increase in reliability. Some of the cost reduction has been passed on to the customer—in the case of the larger CBM machines it is as much as £10. The smallest one using a single chip, provides memory and percentage at an incredibly low figure.

And the users requiring a record have not been neglected since there are two new CBM printing calculators which join a market hotly contested by such well-known manufacturers as Olivetti, Adler, Toshiba and Hewlett-Packard among others.

The latter company again made "calculator history" at mid-year with the unveiling of several new models based on a new type of logic chip plus one model which will retain information in memory even when power is switched off for some considerable time, while drawing very little from the battery when in operation.

Of course, the average user does not know or care what is under the keyboard provided it works reliably and accurately. But manufacturers are not doing all this costly development for fun.

Stampede

We are witnessing what might almost be called a "technology stampede" in which many of the normal commercial restraints have been removed. A great deal of development on the frontiers of electronic engineering is funded by the military—witness the recent announcement of Ferranti's micro-computer at £39 per processor and £18 for the supporting devices in lots of 100.

Like much comparable work in the U.S. and Europe, it will have taught its developers a great deal about making less complex devices and about the process used to manufacture it. In other words there is "spin-off" which can best be described as knowledge acquired for nothing on the back of a programme paid for whether successful or not.

"All to the good" some will say. But the point is that so much spin-off is occurring that the Western world has more

technology than it can comfortably absorb without creating severe strains in manufacturing industries and elsewhere. And it is easy to launch product after new product when a great deal of the research and development has been paid for already.

This is a market—like the electronic watch market—where the normal checks and balances do not operate and development will continue at a break-neck pace for as far as one can see. Yet competition is so fierce that participants lose money!

How quickly the technology is progressing can be judged from the Hewlett-Packard announcement. The HP65 was a milestone since it marked the first offering to scientists and engineers of a hand-held unit capable of taking its instructions from magnetic coding on slim program strips prepared by the user to carry out complex sequences of calculations without other intervention than inserting the basic values and pushing the "RUN" key. In about two and a half years, however, the company has trebled the power and cut the cost of machines largely derived from the "65"—the "97" desk top printer and its companion, the hand-held "67".

Abilities of these machines are such that no single user is ever likely to stretch them. There are 225 program lines each of up to three keystrokes a card reader which will tell a user if he fails to reverse a card during an operation, ten "personalised" keys and various devices which warn the user if he is going wrong in the sequence of instructions to do a specific job.

Because these calculators are small computers insofar as capability is concerned, the company is fostering a users' program library—HP-85 to date has accumulated 4,000 such programs—covering virtually every scientific area. For people who need this kind of power, but infrequently, it is possible to hire such equipment.

Naturally such machines are way beyond the scope of day-to-day routines in the office. But their development shows where business machines could be going and it is not difficult to imagine plug-in program packages which can be used on the same printer/display to run a company's payroll or carry out a cost analysis or a company modelling exercise, as required. At the technology is already available.

Ted Schoeters

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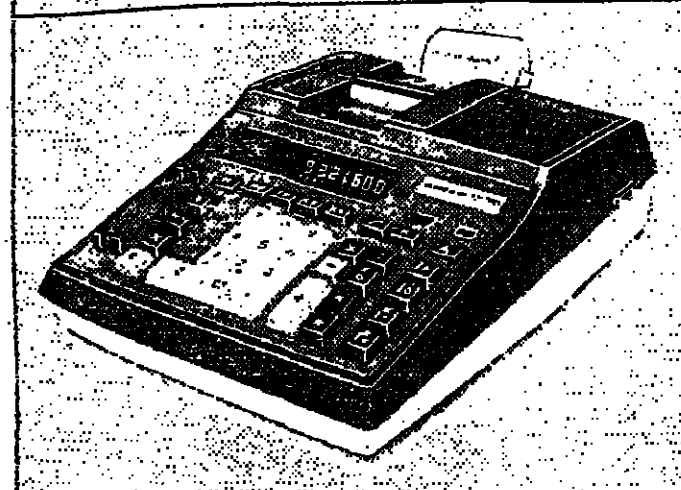
problems with great accuracy and speed.

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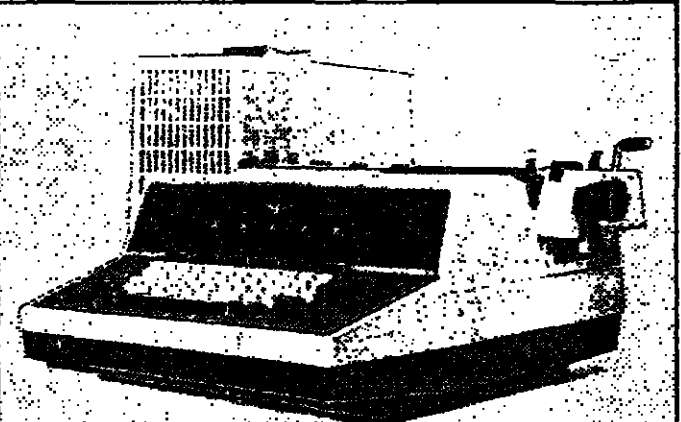
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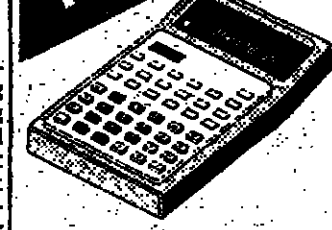
Toshiba 810 The world's first true breast pocket calculator. No thicker than a pencil. Weighs little more than a 20-pack of cigarettes. Satin aluminium casing. 3 key memory system, 8 digit liquid crystal display. % key. Sign change key. And it will run for 2 to 3 years on a pair of tiny, inexpensive silver oxide batteries.

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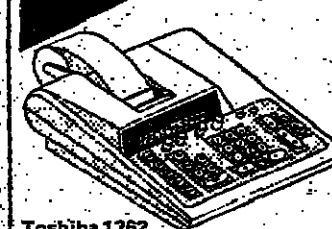
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Middlesex, TW9 7HL
Tel: 081-899-0000

[illegible]

MINES—Continued

FAR WEST RANCH					
Law	Stock	Price	Per	Dis	Cr
250	Rhyon 25	330		Q75c	
740	Buffalo 80	550	+15	Q125c	
40	Deerhart 8020	103			
125	Doornfontein 10	240	+5	Q55c	2.2
330	Ead Erie 10	240		Q75c	1.7
20	Elwood 60 5c	125			
40	Elzberg 10	72			1.0
520	Harborteen 10	750	+15	Q300c	
40	Harborteen 10	740	+10	Q300c	
340	Llanon 10	260		Q60c	2.0
230	Southward 50	310			1.3
92	Sutherland 50c	135		Q250c	2.2
40	Vand 10	135		Q250c	2.1
40	Westport 10	135	-1	Q250c	3.6
111	W.Dire 10	415	+4	Q335c	1.5
68	Western Acres 10	118	-2	Q350c	1.4

100	Wetland & Deep R1	132	Q31	1.0
100	Zandpan R1	132	Q31	1.0

O.F.S.				
60	Free State Dev. 50c	75	Q9c	0 1/2
70	F.S. Capital 50c	908	+ Q300c	
75	F.S. Gaudin 50c	100	+ 26c	2 1/2
170	Harmony 50c	223	+ Q455c	1 1/2
380	Loraine RI	75	+ 6c	0.9
470	Pres. Brand 50c	800	+ Q170c	1
595	Pres. Stern 50c	470	- 18c	Q45c
595	St. Helena RI	175	+ Q170c	1
750	W. H. H. 50c	850	+ 25c	
940	W. H. H. 50c	120	+ Q15c	
950	W. Holdings 50c	512	+ Q310c	

FINANCE

1102	Ang. Amer. 10c	2350	Q33c	1.9
1103	Ang. Am. Gold R1	1,129 ⁺	Q200c	1.3
1120	Ang-Vaal 50c	980	Q105c	2
1125	Charter Cons.	122	7.7c	2
1130	Ch. R. 10c	133	Q105c	2
1131	East Rand Con. 10p	16-2	L0	0
1132	Goldfield Inv. R1	210	1.0	1.3
1133	Gen. Mining R.	1,144	Q210c	1.2
1134	Gold Fields S.A. 25c	850	Q155c	2.1
1135	Joburg Cons. R2	1,142	Q170c	2
1136	Kiddie Vail	225	Q100c	2
1137	London SBDL 40c	200	5	Q32c
1138	New Wit. 50c	75	Q18c	0.7
1139	Patton NW Fla. 5	513	Q265c	1.0

910	Rand Selection 50c	380	\$275c	1.5
985	Selection Trust	390	+5	152	1.5
98	Sentrust 10c	132	+2	Q30c	1.41

35	Silvermines 2cp.	58	.....	Q4.61	1.6
36	SW Africa 20p.	175	.....	117.87	2.0
70	T'vael Cons.Ld.RI.	130	.....	Q55c	1.2
100	U.C. Invest RI.	190	+2	323.26	1.8
130	Union Ind. Corp. 6.5%.	225	.....	Q37c	1.1
45	Venlon 2c.	75	+2	104.2c	1.2

DIAMOND AND PLATINUM					
217.2	Anglo-Am.Inv.St.	£214.4	+14	1294c	1.6
68	Bishopsgate Pr. Lte	92	.....	Q50c	1.2
57	De Beers Pl. Sc.	211	-1	Q25c	2.2
89	Do. 40.50 Pl. Sc.	975	.....	Q25c	1.2
58	Do. 40.50 Pl. Sc.	975	.....	Q25c	1.2

07 Rus. Plat. 10c 117 g95c -

CENTRAL AFRICAN				
53	Kororua 25c	78	103c	2.1
6	Falcon Rth. 50c	86	Q35c	—
9	Rhodes Corp. 169c	19	Q56	6.0
20	Road Cons. 154	160	—	—
20	Tanganyika 50p	168	Q10.0	0.8
65	De. Pref. 80p	70	Q7	10.2
25	Wembley C. 1.1	46c	Q9	—
24	Zam. Cpr. 180D.24	25	—	—

AUSTRALIAN				
18	Arctex 25c	25	—	—

32	A. M. and S. 50c.....	309	-3	41Q7c	Φ
96	Bougainville 50c.....	129	-1	Q10c	Φ
45	BH South 50c.....	188	-10	—	—

15	G.M. Kaligotai 51	20			
58	Hampton Area 5p	98	-5	1.3	3.2
12	Metals Ex. 50c	56	-6		
38	Metramax 20c	18	+1		
100	M.L. & W. 50c	260		Q ⁺ Q ⁺	
54	Mount Leydi 5c	54	-8		
2	Newmetal 10c	212			
38	North B. Hill 51	220	-2	Q ⁺ Q ⁺	
5	Nth. Kaligari	812			
65	Oakridge SA1	110		Q ⁺ Q ⁺	
14	Pacific Copper 25c	26			
25	Pancon 125c	531			
65	Parraga 10c 50p	122	-4		
30	Pero. W. 50c	500		Q15A	

60	Poseidon 20c	75			
9	Vulcan Min. 50c	9	-1		

27	Wash. Mining 50c	176	-3	QSc	-	-	-
36	Wham Creek 50c	65	-	-	-	-	-
TINS							
28	Annul. Nigeria	32	-	5.62	1.6	27	1.6
50	Ayer Hittam	310	+3	23.0	Q	18	1.6
17	Brazil Tin	49	-	1.75	28	1.6	1.6
25	Burmalat 50cs	265	-	5.0	1.5	1.6	1.6
112	Es Lande 10p	12	-	1.0	1.7	1.6	1.6
55	Geevor	236	+5	5.0	1.5	1.6	1.6
6	Gold & Base 125cp	9	-	-	-	-	-
70	Goping Co.	215	-	\$11.0	1.3	-	-

54	Hongkong	70	—	—	—
56	Idris 10p	63	7.15	1.5	1.5
6	Nantar 13p	6	—	—	—

35	Kamunting Ip	39	.....	0.70	1.2
36	Killinghill	250	.....	0.50	1.2
37	Muddy Dredging	236	+5	10.7	2.6
38	Alphong	27#	.....	0.2	2.6
39	Pangani Ip	53	.....	1.5	1.5
40	Petaling Hill	130	.....	0.12	3.6
41	Saint Piran	33	+1	1.25	2.5
42	South Kinta (10p)	95	+2	7.5	0.6
43	Sihm, Malaysia	192	+7	0.7	0.9
44	Sungei Bendu Ip	42	+3	.....	.....
45	Sungei Yau SMI	42	.....	2.0	.....
46	Tanjong	43	.....	0.0	0.1
47	Tongkah Error SMI	40	.....	0.2	0.1
48	Tromoh	108	+5	1.29	2.0

COPPER

70	Robinson RST R2	53	.....	.....	.....	.....	.....	.....	.....
70	Mission R2.50	200	.....	.....	.....	.....	.....	.....	.....
MISCELLANEOUS									
8	Burma Mines 177 sp.	8+2	.....	.....	.....	0.1	+	2	.....
15	Chancellor Hill	1	.....	.....	.....	.....	.....	.....	.....
18	Coe Mine	650	.....	.....	.....	0.80c	.....	1.8	.....
20	Northington C31	325	-10	.....	.....	.....	.....	.....	.....
33	R.T.2	170	+1	.....	.....	5.96	.....	2.1	.....
77	Sabina Linds. C31	78	+1	.....	.....	.....	.....	.....	.....
10	Launa Expts. 51	513.5	-1	.....	.....	.....	.....	.....	.....
22	Teahidi Minerals 10p	400	.....	.....	.....	721.08	.....	.....	.....

[illegible]

NOTES

Otherwise indicated, prices and net dividends are in U.S. dollars and denominations are 25¢. Estimated price/earnings ratios are based on annual earnings. Where possible, are updated on half-yearly figures; they are based on ACT of 26 per cent. P/E's are calculated on the basis of distributions bracketed figures indicate 10 per cent, or more, if calculated on "full" distributions. Covers are based on "normal" distribution. Yields, assuming maintenance of dividends on current rate of ACT, are based on midlife prices and allow for value of declared distributions and rights issues with denominations other than sterling are quoted in U.S. dollars.

ing denominated securities which include investments at premium.

Stocks and Loans marked thus have been adjusted to allow for rights issues for cash.
 (a) since increased or resumed.
 (b) since reduced, passed or deferred.
 (c) due to non-residents.
 (d) or report omitted.
 (e) stated security.
 (f) at time of suspension.
 (g) stated dividend after pending scrip and/or rights issue.
 (h) relates to previous dividend or forecast.
 (i) of Stamp Duty.
 (j) or bid or reorganisation in progress.
 (k) comparable.
 (l) reduced final and/or reduced earnings.

cost dividend; cover on earnings updated by late

[illegible]

... preliminary figures, r Australian currency s dividend
... and exclude a special payment. t Indicated dividend
... before tax on non-resident shareholders. The ratio based on latest

year's earnings. ^a Tax type up to 30p in the allows for currency clause. ^b Dividend and yield on merger terms. ^c Dividend and yield include payments. ^d Cover does not apply to special payments. ^e Dividend and yield. ^f Preference dividend passed to C Canadian. ^g Asset price. ^h Assumptions based on pending prospectus or other official estimates and yield based on prospectus or other official estimates for 1976-77. ⁱ K Figures based on prospectus or other official estimates for 1978-77. ^j M Figures based on prospectus or other official estimates for 1976. ^k N Dividends based on prospectus or other official estimates for 1976-77.

Dividend Tax payable. 2 Dividend total to date.

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'U.K. reserves ample to repay standby'

BY REGINALD DALE

MANILA, Oct. 5.

IF THE U.K. has not made its requested IMF drawing by December 3—the date when drawings on the \$5.3bn. standby arranged in June must be repaid—it would not be very serious senior British officials said today.

Britain still had ample reserves to repay the standby, with the aim of topping them up fairly soon afterwards, they said. They also discounted talk in London of an autumn budget.

The officials conceded that it was optimistic to think that Britain would already have received the IMF funds by the repayment date. But they thought it was more probable than not that the Government's "letter of intent," together with the official application to draw, would at least have gone off by then.

Sir Douglas Wass, Permanent Secretary to the Treasury, speaking in place of Mr. Denis Healey, the Chancellor, who cancelled his trip because of the sterling crisis, spelled out the measures the Government had taken in the past few months and the reason it was seeking to draw to the annual IMF/World Bank meeting here. The Government was determined to secure the necessary improvement in the external accounts and ensure that expansion would be led by exports and investments, he said.

Cataloguing the Government's achievements, Sir Douglas pointed to the pay policy and the tightening of monetary and fiscal policies, despite the continued rise in unemployment. Last month, after an acceleration in the growth of money supply, the Government had taken new measures, including a rise in interest rates, both short and

Adjustment

The heart of Britain's strategy was to shift resources into the balance of payments and investment. "For this purpose, the cuts were made in our public sector deficit will provide the room, while our strong competitiveness and our industrial strategy should be the motive force."

The request for the fund draw, in the context of the current deficit while the process of adjustment is being completed, he said.

Referring to IMF "surveillance" of exchange rates, to be introduced in the context of the latest package of international monetary reforms, Sir Douglas said the U.K. wanted to see the fund play a central and constructive role. But it would be better to begin modestly and build up the IMF's role gradually than attempt too much at the start, he stressed.

M. Bernard Clappier, governor of the Bank of France, on the other hand, told the meeting that the fund should exercise "firm surveillance" from as

long, and further special deposits to restrict bank liquidity. "This was the stage for successful open market operations, and the very large sales of Government bonds made in late September will have an important moderating effect on monetary expansion."

Sir Douglas said it was of "paramount importance" that the public sector deficit should be sharply reduced as recovery got under way. This was why the July measures had been taken to reduce the prospective borrowing requirement by £2.5bn. in the next financial year.

Recent exchange rate movements seemed to have been in the right direction, even if sometimes exaggerated, he said.

Herr Karl Otto Poehl, Under Secretary at the German Finance Ministry, predictably disagreed with M. Clappier. Floating rates were not the cause but the result of instability, he said. He was convinced that floating had shielded the international community from falling back into "a nightmare of trade restrictions and a resurgence of capital controls."

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Police detain 100 Basques in killer hunt

BY ROGER MATTHEWS

MADRID, Oct. 5.

OVER 100 suspects have been detained in the Basque provinces during the past 24 hours. Police, the para-military Guardia Civil and army units are mounting an intensive hunt for the four men who yesterday machine-gunned to death Sr. Juan Maria Arsuaga, a member of Spain's Council of the Realm, three police officers and a chauffeur in the centre of San Sebastian.

Government Ministers, members of the 17-man Council of the Realm and senior officials arrived in San Sebastian today for the funeral as leading figures on the non-democratic Right issued warnings that the political direction of the country should now be re-examined.

The Cabinet, headed by Sr. Adolfo Suarez, promised last night after an emergency session that its programme for political reform would continue unchanged, but there can be no doubt that it will come under growing pressure to dilute its proposals.

Spain's political development. "Facts continue to confirm that the problem is not the pace of change but the direction of change. We have to recover the lost road that brought our people the 30 most prosperous years of their history."

Political parties of all shades have totally condemned the murders, responsibility for which has been claimed by the Basque separatist group, ETA. Since the late 1960s ETA has carried out a policy of violent political action with murders and bomb attacks, the most spectacular being the assassination of Sr. Carlos Blanco, the Prime Minister, in 1973.

Yesterday's killing of Sr. Arsuaga, who was also president of the regional council of Guipuzcoa and a deputy in the Cortes, is the most important politically since 1973. The simultaneous shooting of three police officers is also another severe blow to the already badly-strained relations between the security forces and the Basque people.

Last night, the police hunt for the ETA commando led to large-scale house searches. Cinema performances were halted while identity checks were made. Those detained so far may be held for up to ten days without charges being made, against them, under the anti-terrorist law.

There are road blocks in dozens of places throughout the Basque provinces today, and army units are helping to patrol the border with France. The French Government is believed to have been sought to find sanctuary across the border.

Editorial comment Page 22

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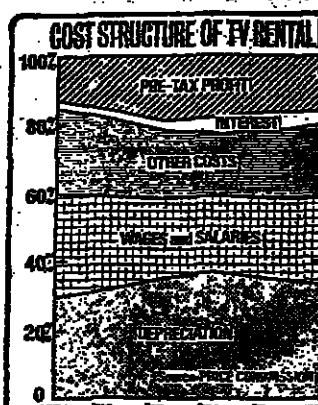
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Editorial comment Page 22

TV rental report out of focus

Index fell 4.5 to 319.3



It is a sin in the eyes of the Price Commission to be prosperous. That is the only conclusion to be drawn from its report on the television rental industry, which is shown to have compiled fully with the Price Code, but which is obliquely accused of enjoying excessively high profitability. On the Commission's own figures the rental companies have been falling in recent years—from 23.9 per cent. in 1973 to 19.4 per cent. in 1976. Yet in a general conclusion, which differs markedly in tone from the bulk of the report, the Commission argues that prices should be lower at the expense of reduced profit margins. The industry is now expected to provide a "voluntary" freeze on rental levels, a possibility which was reflected yesterday in falls of between 6 and 12 per cent. in sector share prices.

Few industries have been operating in a more favourable environment than TV rental. It has enjoyed massive growth—first in monochrome, then in colour—while the cost of its capital equipment has been falling in real terms and set reliability has improved sharply, with annual service calls per colour set falling from 4.3 on average in 1971 to 2.8 currently. Moreover the more successful operators have been regularly able to mop up small companies and improve their density per shop.

But conditions will not always be so favourable. The Price Commission is puzzled that competition has not brought profitability down to levels common in other industries. One reason may be the degree of customer inertia inherent in a long term contractual business. A more potent explanation, however, may be that until now rental firms have been able to achieve high growth rates without indulging in a price war.

Although the colour TV market turned weak several years ago, the specialist rental chains have still found major scope for acquisitions—like Granada's £2.5m. purchase of Spectra, while Electronic Rentals has paid out over £25m. on takeovers. The industry's large cash flows are thus being channelled to vendors like GEC and Philips, and resources are being made available within the industry for its hard-pressed manufacturing end.

And the latest sales included a high margin children's and... First half sales were a tenth or so but ago were inflated by for market share.

The group's volume improved current half-year profits growth of 29 per cent. to 39 per cent. Grattan's from this year equaled a tenth, after an 18 per cent. to 19 per cent. Higher interest charges, obvious problem of an industry tied to customer credit, arose from July's payment and recently re-distribution contracts. Managers negotiate with Office at the start of year. Still, a prospective per cent. at 74p is comfortably covered; earnings, at 6.2 per cent. yield is not quite below the prospective Empire Stores.

The Price Commission might have cause for concern were the rental industry accumulating huge piles of cash which it could not use. It offers no evidence that this is so. When such a situation does arise, it could soon, if the colour market stays flat—competition can be relied on to provide a natural solution. Meanwhile the Commission looks a little foolish for attacking an industry which, in its own figures has only seen income per colour set rise by 2 per cent. in six years, while it is criticising the level of profits that in an apparent theoretical vacuum. No consideration is given, for instance, to inflation market will have to account. Perhaps the Price Commission would like to see what this means in the TV rental industry reduced to the state of the TV manufacturing sector.

Mail order

Mail order sales in the seven months to July have outperformed both the multiple and department stores, and Grattan and Freemans have not bucked the trend. But margins in the sector are now in much better shape; and although cost pressures are now beginning to grow again both companies expect profits to be comfortably up for 1976-77 as a whole. Freeman's performance is likely to be the more impressive. Profits are 23 per cent. higher at £4.5m. pre-tax, which two-fifths can be directly attributed to lower interest charges. Extensive weeding of the catalogue has reduced line numbers by as much as 30 per cent. over the past couple of years which is one reflection of tighter cash management.

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Weather

RAIN followed by brighter showers weather. London, S. Cent. S. N.W. Cent. N. England, E. Anglia, E. and W. Midlands, Channel E. Rain at first, showers in afternoon. Wind S.W., strong. Max. 16C (61F). E. N.E. England, Lakes, Borders, S.W. Scotland, Glasgow, S.W. Cloudy, occasional rain. Wind S.W., moderate, becoming strong. Max. 15C (59F). S.W. England, S. Wales Rain followed by showers. Wind S.W., strong. Max. 15C (59F). Rain, showers later. Wind S.W., moderate or fresh. Max. 14C (57F). Central Scotland Showers, rain later. Wind S.W., moderate. Max. 13C (55F). N. Scotland, Orkney, Shetland Cloudy, some sun. Wind S.E., strong to gale. Max. 12C (54F). Outlook: Showers or longer outbreaks of rain. Light-rain. London 18.57. Manchester 19.05. Glasgow 19.10. Belfast 19.18.

Clearing bank loans nearly £1bn. up over six months

BY MICHAEL BLANDIN

THE RISE in the underlying level of bank lending resumed last month, with the latest figures from the London clearing banks suggesting that seasonally adjusted advances may have increased by around £100m.

Over the past six months, clearing bank loans have now increased by nearly £1bn. after allowing for the effect of normal seasonal factors. But after the latest small increase the banks remain very cautious about placing too much emphasis on the figures, and argue that there is still little evidence of a real upturn in industry's demand for loans to finance economic expansion.

Together with the latest figures from the Bank of England, the mid-September statistics suggest that there was a further significant increase in the money supply last month. The Bank's returns for the whole of the banking sector show an increase of £61m. to £35.8bn. in the banks' eligible liabilities. Movements in the banks' liabilities are often a pointer to trends in the money supply.

This will be reflected in the money stock figures due to be published later this month following the substantial in-

creases in July and August, it is likely these will show a growth of money supply over the past three months at a rate significantly above the 12 per cent. official guidelines for the current financial year.

It is recognised that this will have to be counterbalanced in order to satisfy the International Monetary Fund's conditions for granting the U.K.'s application for a \$5.3bn. standby credit. The money supply situation, however, will have improved since last month's figures were struck on September 15. This was just after the new moves by the authorities to raise interest rates, and before the heavy sales of gilt-edged stocks in the following week which contributed to the financing of the Government's borrowing requirement.

The clearing bank figures do not yet reflect either the further call of special deposits by the Bank of England totalling £250m. or the banking system as a whole. Half of these have been paid, with the rest due today. In principle, the payments would cut by 1 per cent. the banks' reserve ratios. For the London clearing banks, these fell last month on average from 13.5 per cent. to 13.3 per cent.

However, the banks have ample liquidity available and argue that they will still have plenty of funds to lend if there is a continued rise in demand.

During the four-week period to September 15, sterling advances to the U.K. private sector by the London clearing banks showed an average fall of £11m. well spread over the various categories of borrowers.

The decline was less than would normally have been expected at this time of the year. The underlying trend was, therefore, probably slightly upwards, though by much less than the market's pessimistic view in the months from April to July when lending was affected by special factors including finance for "leads and lags" over the exchange markets.

There is some feeling that the picture of clearing bank lending may underestimate the overall movement in the banking sector. There may have been some switching of borrowing to other banks with the interest rate structure ruling before the "in-crowd" clearing banks just before the make-up day.

Heath may heal rift with Mrs. Thatcher

BY RICHARD EVANS, LOBBY EDITOR IN BRIGHTON

THERE was intense speculation in Brighton last night that Mr. Edward Heath would seek a reconciliation with Mrs. Margaret Thatcher, his successor. Mr. Heath is expected to attend the party conference today.

Mr. Heath, who has been lecturing in the Far East, is likely to speak during a major debate on party policy and public relations. Close associates hope he will take the opportunity to heal the rift which has damaged party morale since he was defeated for the leadership 18 months ago.

The opportunity to make peace has been offered by publication of the policy document. The Right approach which will be presented to conference during the debate by Sir Keith Joseph, shadow Minister in charge of policy and research.

The document has been

widely regarded as a unifying influence because it defends rather than criticises the policies followed by Mr. Heath's administration.

Mr. Thatcher and all members of the shadow Cabinet are hoping that Mr. Heath will join his close associates in publicly stating their absolute loyalty to the leadership and support for the policy outlined in the document. The latest to move closer to the unanimous shadow Cabinet line has been Mr. Peter Walker, who has made clear his willingness to serve under Mrs. Thatcher.

It is ironic that Mr. Heath has chosen to speak in the debate that Sir Keith will introduce and wind up. Mr. Heath has made no secret of the fact it is Sir Keith for whom he harbours the most bitter resentment following his loss of the leadership. It was Sir Keith who led the challenge which Mrs. Thatcher took up so successfully.

Continued from Page 1

TV rental companies

these price changes have, however, been completely beyond our control.

"Our company, for example, has only increased charges twice in the past 20 years. They went up 4 per cent. three years ago and 7.4 per cent. in February."

He claimed the rental companies had been highly responsive to the needs of customers, and had raised increases for only people and most of those with monochrome sets. As a result, many monochrome sets were being rented at an uneconomic rate.

"The commission implies that we were making too high a profit before the price regulations came into force, even though they say we have not broken the code."

"But they fail to say what a reasonable level of profit would be for the industry. This is because not many people understand the profits requirement in our business."

"For example, we have to have the money to replace a set after eight years. Some companies have not understood that they can only do this with a substantial profit margin, and they have gone out of business."

reflected a change to colour television sets which were a different commodity requiring a much higher capital investment.

"Larger profits in terms of money were therefore in common sense to be expected, failure to show them would, in fact, have suggested that something was radically wrong, and must have shown an unsatisfactorily low return on capital."

Yesterday, Mr. Parker added: "The report itself showed that the cost of hiring a colour television has only increased by 2 per cent. in the last five years. In what other sector of the economy have prices been held so low?"

The Commission's report has now been sent to Mr. Hattersley, who will have to decide what to do about it.

The immediate reaction of the stock market was to mark down the share prices of the major operators. Thorn Electrical, Granada, Electronic Rentals and Rediffusion.

THE POST Office proposes to improve facilities for cashing Giro cheques for personal account customers holding guarantee cards.

The limit for cashing a cheque will be raised from £30 to £50 at the post office named on the guarantee card. The existing £30 limit will be retained for uncashed cheques at other offices.

BUSINESS CENTRES

City	Monday	Tuesday
Amsterdam	13.20	13.20
Antwerp	13.20	13.20
Birmingham	13.20	13.20
Bombay	13.20	13.20
Boston	13.20	13.20
Buenos Aires	13.20	13.20
Calcutta	13.20	13.20
Canton	13.20	13.20
Cebu	13.20	13.20
Colon	13.20	13.20
Hankow	13.20	13.20
Hong Kong	13.20	13.20
Kobe	13.20	13.20
London	13.20	13.20
Lyons	13.20	13.20
Manila	13.20	13.20
Medan	13.20	13.20
Shanghai	13.20	13.20
Singapore	13.20	13.20
Sourabaya	13.20	13.20
Tientsin	13.20	13.20
Yokohama	13.20	13.20

HOLIDAY RESORTS

City	Monday	Tuesday
Amsterdam	13.20	13.20
Antwerp	13.20	13.20
Birmingham	13.20	13.20
Bombay	13.20	13.20
Boston	13.20	13.20
Buenos Aires	13.20	13.20
Calcutta	13.20	13.20
Canton	13.20	13.20
Cebu	13.20	13.20
Colon	13.20	13.20
Hankow	13.20	13.20
Hong Kong	13.20	13.20
Kobe	13.20	13.20
London	13.20	13.20
Lyons	13.20	13.20
Manila	13.20	13.20
Medan	13.20	13.20
Shanghai	13.20	13.20
Singapore	13.20	13.20
Sourabaya	13.20	13.20
Tientsin	13.20	13.20
Yokohama	13.20	13.20

CBI-TUC import control move stalls

BY ADRIAN HAMILTON

THE joint CBI-TUC initiative on selective import controls appears to have stalled for the moment in the face of doubts within the CBI and a lack of enthusiasm in Government.

A draft document is still being discussed in a series of meetings between the Confederation of British Industry and the TUC. This sets out areas such as footwear, textiles and radio and TV components where the two sides are agreed on the need for action by the Government to reduce import levels.

Originally it had been hoped to publish the document early this week as a joint appeal. But over the last few days there seems to have been a distinct cooling in the CBI's interest as the two sides have continued to argue over just how wide a range of industries should be covered.

Opposition within the CBI has grown as members have viewed with alarm the thought of a document which might be misinterpreted as indicating general support by industry for protectionism. Fears have been further expressed that the approach could be seen as an unwelcome formal association of industry and union interests in a plea for State intervention.

At the same time the Government, while not unsympathetic to the concept of selective controls or anti-dumping duties, is clearly anxious to avoid the issue of controls at a time of delicate negotiations with the International Monetary Fund.

In this situation, the appeal

Greenwell loses four partners

FOUR OF the 30 partners in W. Greenwell, the large London stockbroker firm, are resigning because of a clash over a re-organisation plan which will give Mr. Pip Greenwell, the senior partner, more direct authority over the equity side of the business.

This upheaval comes at a time of declining activity and falling prices and revenues in the stock market. But Mr. Greenwell said last night that in his view the development was unrelated to current low volume.

The four partners come from the firm's equity side. One, Mr. Alastair Grant, remarked last night that they did not suffer a fall in their share of the market's equity business. The other resignations are from Mr. Paul Smallwood, Mr. Robin Newman and Mr. Roger Pearson.

Mr. Greenwell commented: "The management committee has thought for some time that the institutional equity sales side needed reorganising and decided to go ahead with proposals for this with which the majority of partners agreed."

He added that the whole of the equity side—all the business except the sideways and private client departments—would in future come under the direct control of himself and two other partners, Mr. Tom Quinn and Mr. Ernest Fenton.

"One of the changes will be much closer liaison between the equity sales side and research," he remarked. They had not wanted the four partners who are resigning to do so.

Mr. Greenwell remarked of the differences: "In any firm you are always looking at how it is run and having disagreements, major or minor. This was a major disagreement."

MEMO: TO ALL INVESTORS WHO WANT TO MAKE REAL MONEY

Investment sectors bounce about these days like so many rubber balls. Commodities shoot up, equities fall back, gilts are the best buy one month and the worst the next. So you hope to make real money as an investor you have to be quick on your feet. More than ever, you must know the answer to the three "whens": when to buy, when to sell, when to switch from one investment sector to another. And that's where THE PRIVATE INVESTOR'S LETTER comes in. Its aim is to give you the right answers to those three "whens". Month-by-month P.I.L.'s easy-to-follow Investment Form Guide keeps you on top of the crucial investment sectors—including equities, gilts, commodities, the money markets, property—and tells you exactly what you should be buying and selling in order to make your capital grow steadily with minimum risk.

P.I.L. is brief, readable and, above all, accurate. It is the new-style investment guide for today's new-style investor. Take this opportunity now to see two issues for yourself, free and without obligation.

TO: THE PRIVATE INVESTOR'S LETTER

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